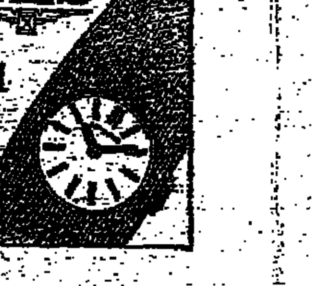
FINANCIAL TIMES

No. 27,134 Friday November 26 1976 ***10p



CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pts.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.75

NEWS SUMMARY

GENERAL

...iners would ...pple ...abour'

...rs are ready to see the ...ur Government fall if it ... not accept their case for ... retirement, Mr. Len ...ke, moderate president of ... Nottinghamshire area of the ...ational Union of Mineworkers ...id yesterday.

This message overshadowed ...e National Coal Board's warn...g that unless output improved ...bstantially the next coal price ...e would be earlier and larger ...an planned.

Mr. Clarke's statement rein...rced confident predictions from ...her coalfields that next month's ...head ballot would show a big ... in favour of industrial ...tion. Back Page

...K. may cause ...EC poll delay

...less the Governmen radically ...ises its legislative timetable ...itain is unlikely to be ready ... take part in the first direct ...ctions to the European Parlia...nt which are scheduled for ...y-June, 1978. This would delay ...ctions throughout the Com...nity. Back Page

...ugabe team ...eeks talks pause

...y members of Mr. Robert ...gabe's delegation, who claim ... represent Mozambique-based ...rillas fighting Rhodesia, ...erday demanded an adjourn...nt of the Gevena conference ... allow them to return to Africa ... talks with guerilla leaders. ...k Page

...ore tremors in ...stern Turkey

...ther tremors yesterday shook ...tern Turkey as rescue teams ...in rain, snow and sub-zero ...peratures to find survivors of ...dnesday's earthquake in ...ch up to 4,000 people are ...mated to have died. Page 4

...igher fees for ...rther education

...arly 2m. people attending ... degree courses at further ...cation colleges, often at ...ir employers' expense, face ...sh increases in tuition fees ...m next autumn as the result ... a decision announced by Mrs. ...irley Williams, Education ...eretary, in the Commons yes...day. Parliament, Page 14

...lan to disarm ...ebanon armies

...rian peace-keeping troops in ...banon are preparing to disarm ...ivate armies which have grown ... during 19 months of civil war. ...anwhile Syria is seeking the ...moval of hardline leaders in ... Palestine resistance move...nt. Page 6. Feature, Page 22

...erby County ...nanager sacked

...AVE MACKAY, Derby County ...anager and his assistant Des ...nderson, were dismissed yes...rday. Colin Murphy, reserve ...am trainer, is caretaker until ...e appointment of a new man...er. The dismissals followed ... Board's refusal to accede to ...r. Mackay's request for a vote ... confidence. Newport County ... trouble. Page 10

...riefly . . .

...r. K. Tanaka, former Japanese Prime Minister, is to face bribery charges arising from the Lockheed scandal in a Tokyo court in January. Page 6

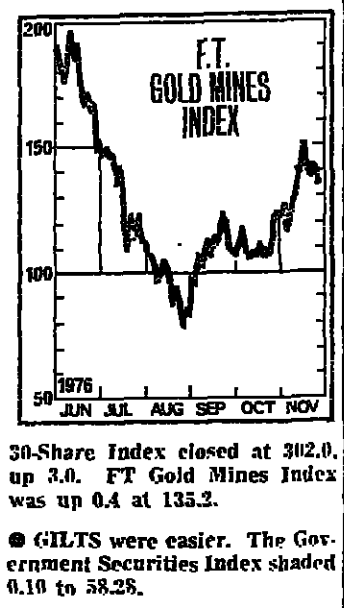
Chairman Hua, in his first public speech since succeeding Mao Tse-tung claimed the purging of radicals from the Communist Party leadership as a "great historic victory." Page 6

Mrs. Margaret Thatcher, Conservative leader, was mobbed by ...emonstrators when she visited Camden to support the Tory candidate for the December 2 by-election. Picture Page 10

BUSINESS

Equity leaders in late rally

● EQUITY leaders staged a late improvement in anticipation of a bullish quarterly bulletin from the National Institute of Economic and Social Research. FT



30-Share Index closed at 302.0, up 3.0. FT Gold Mines Index was up 0.4 at 135.2.

● GILTS were easier. The Government Securities Index shaded 0.10 to 58.28.

● STERLING closed at $1.6460, a fall of 22½ points. Its trade weighted depreciation was unchanged at 45.6 per cent.

● GOLD was unchanged at $130.75.

● BANK of England is to sponsor an inquiry into the structure of the U.K. clothing industry. Back Page

● RECOVERY in industrial production is expected to raise the demand for electricity by ... 1 or 2 per cent. during the year ending April, 1977, Sir Arthur Hawkins, chairman of the Central Electricity Generating Board, said. Page 10

Shell's £1.3bn. spending plan

● ROYAL Dutch Shell plans to increase its worldwide capital expenditure, excluding the U.S., by a third next year to more than £1.3bn. Back Page

● BURMAH Oil Tankers has reached a $30m. settlement with Pertamina which releases the Indonesian State oil company from its charter obligations covering three Burmah tankers. Back Page

● SHEAF Steam Shipping has been saved from going into liquidation by an agreed take-over bid worth £4.1m. from Ben Line, a private Scottish ship-owning group. Page 26

● TOTAL industrial production in Scotland in the first quarter of this year is estimated provisionally to have been just more than 1 per cent. below the level of the same period in 1975. Page 10

● THOUSANDS of jobs and millions of pounds worth of revenue are being lost because of the way North Sea oil fields are being exploited, it was claimed by two commentators in the industry. Page 10; North Sea Oil Review, Page 11

COMPANIES

● BRITISH AIRWAYS' net profit for the six months to September 30 was £25.3m., compared with a loss of £1.9m. in the comparable period last year and a loss of £16.3m. in the whole of its 1975-1976 financial year. Page 10

● BRITISH and Commonwealth Shipping pre-tax profits for the six months to June 30 were up from £6.4m. to £10.4m. Page 25; Lex

● LEE COOPER Group pre-tax profits for the half-year to September 30 were more than trebled from £311,000 to £1,093,000. Page 27

● EXCHANGE Telegraph Company (Holdings) pre-tax profit for the six months to September 30 was up 10 per cent. at £915,000. Page 27

CHIEF PRICE CHANGES YESTERDAY

(prices in pence unless otherwise indicated)

RISES

Assoc. Engineering	654	+ 21
Beecham	326	+ 6
Brit. & Com'wealth	185	+ 5
Carlton Inds.	55	+ 7
Common Bros.	99	+ 9
Courtaulds	84	+ 4
Dawson Intl.	46	+ 3
Estates & Agency	40	+ 5
Glaxo	360	+ 7
Heath (C. E.)	290	+ 8
Intl. Computers	118	+ 5
London & Mid. Inds.	41	+ 5
Morris (H.)	130	+ 4
Oceanic	86	+ 13
Peachey Prop.	43	+ 3
Pethow	122	+ 9
Staveley Inds.	150	+ 5
Thomson	357	+ 10
Tube Invest.	276	+ 6
Unilever	386	+ 6
BP	718	+ 18
Shell Transport	404	+ 8
Western Holdings	£13½	+ 1
Westfield Minerals	110	+ 18

FALLS

Treasury 14% 1982	£98½	− 1
Akroyd & Smithers	155	− 12
Assoc. P. Cement	128	− 4
Dykes (J.)	23	− 3
Foseco Minsep	117	− 7
Magnet & Southerns	90	− 4
Renold	103	− 4
Sime Darby	99	− 5
Tarmac	107	− 3
Tunnel Hldgs. "B"	119	− 10
Messina	180	− 5
Northgate Expln.	390	− 15
Rand Selection	405	− 15

Balance of payment surplus next year, Institute forecasts

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A massive improvement in the current account of the balance of payments into surplus next year and a sharp reduction in the Public Sector Borrowing Requirements on present policies are forecast this morning by the National Institute of Economic and Social Research.

The forecasts in the Institute's latest quarterly review of a £1bn. current account surplus in 1977 and an £8.2bn. public borrowing requirement in 1977-78 are in sharp contrast not only to what it was projecting three months ago, but also to the Treasury's recent forecast.

The Institute argues that on the basis of these forecasts, "there is no case for any net contractionary policy action in 1977 or 1978; rather the contrary.

"It recognises that some cuts in public expenditure or increases in taxation, or both, will be a necessary condition for obtaining assistance from the International Monetary Fund and guarantees for the sterling balances.

IMF Loan

"If so, it is a price that has to be paid; but it would be, on our our forecast, unfortunate."

The publication of these forecasts, which also project a slow rate of economic growth and a continuing high level of unemployment for the next two years, comes at a particularly delicate stage of the Government's discussions with the IMF.

The Cabinet discussed the IMF loan very briefly at its meeting yesterday and discussions will continue next week on the terms and general shape of the Letter of Intent associated with the $3.9m. loan Britain is seeking.

Consequently, it now appears that Mr. Alan Whittome and some of his colleagues from the IMF team will still be in London around the midle and end of next week, even though their appraisal work has now been completed.

They will be having further talks with the Treasury and

Details Page 8
Editorial Comment Page 22

waiting for a decision to emerge from the Cabinet on the broad orders of magnitude in any targets to be included in the Letter.

While any suggestion of impasse in the talks is being played down, the fact that the IMF team is staying much longer than originally expected for further discussions suggests that the political position remains very fluid with many Ministers still determined to minimise the impact on economic activity.

The hope is to make a statement to Parliament about the middle of next month; there will be close interest in what is said by Mr. Denis Healey, the Chancellor of the Exchequer, when he opens the final day of the Queen's Speech debate on Tuesday.

The National Institute's forecast of an £8.2bn. PSBR in 1977-1978 on present policies is likely to be highly controversial in view of the current discussions since the figure is not only below the £9bn. projected by Mr. Healey in July, but also well under the £11bn. total indicated by the latest Treasury forecasts.

Difference

However, the Institute itself warns that it is not right to pay a great deal of attention to this forecast, partly because it is the difference between two large magnitudes, and small changes in elements in the income and spending can produce big changes in the balance.

Differences with official projections could be explained by a relatively greater optimism about public spending and unemployment.

The other sta[illegible]ing forecast is of a £1.1bn. cu[illegible] acount surplus next year and [illegible]bn. in 1978. This compares [illegible] deficit of £1.7bn. forecast for 1976 and a £1.5bn. deficit for 1977 projected by the Institute in its last review in August.

This change [illegible] almost wholly explained by [illegible] Institute's belief that th[illegible] of trade—the ratio of [illegible] prices to import prices—will improve by large maount next year as the sluggish world recovery holds back import prices.

Continued on Back Page

North-South talks face showdown over deadline

BY REGINALD DALE PARIS, Nov. 25.

THE developing countries seemed to-day to set the scene for a major showdown with the West next month which could have a vital bearing on the future level of world oil prices.

They insisted that the planned closing ministerial session of the North-South dialogue between the world's rich and poor nations go ahead on schedule here on December 15, despite the fact that the two sides are still far from agreement on all the most important issues dividing them.

If the meeting takes place and ends in failure, a number of members of the Organisation of Petroleum Exporting Countries have warned that they will respond with a much higher oil price increase at their meeting in Qatar on December 20.

The Western countries thus appear to be faced with the choice of making significant concessions on issues such as debt relief, raw materials prices and the structure of world commodity trade in the next three weeks, or providing the oil producers with ready-made justification for a big price increase.

Many participants at the 27-nation conference here, including the U.S. and the non-oil producing developing countries, had wanted next month's closing conference postponed until well into next year to allow more time to reach agreement.

The outgoing Ford Adiminstration does not want to take the responsibility for taking major decisions just before the hand-over of power in Washington, while many non-oil developing countries believe they can secure a much better deal from President Carter.

But Sr. Manuel Perez Guerrero of Venezuela, one of the conference's two co-chairmen, to-day said that all 19 developing countries represented at the talks wanted the meeting to go ahead. The 19 did not see "any element that would really constitute a basis for postponement," he said.

Nevertheless, there is still a chance that the meeting will be put back. The 27 participating governments, who must take the final decision, now have just over two weeks to study the outcome of nearly 12 months' negotiations in the dialogue's four commissions—on energy, finance, development and raw materials—which officially concluded here this week.

Sr. Perez Guerrero is to meet Mr. Allan MacEachen, his Canadian co-chairman, to make a further assessment of the situation in New York next week.

It has not been ruled out that a meeting in December might agree to prolong the dialogue into next year, with a view to another ministerial meeting to conclude the conference perhaps some time in April or May.

Sr. Perez Guerrero to-day stressed that the developing countries were not deliberately seeking confrontation with the West.

He pointed out that nearly a year of negotiations had resulted in "many more divergencies than convergencies" between the two sides, and that convergence had only been achieved on peripheral issues.

Today's insistence by the 19 developing countries on keeping to the December 15 date is also clearly intended to bring pressure to bear on the nine EEC countries, who are due ot discuss the current state of the dialogue at their summit meeting in The Hague next Monday and Tuesday. The developing countries are hoping that if the Nine can be induced to agree to new concessions, the U.S. and Japan will have to follow suit.

The EEC countries, unlike the U.S., have been broadly in favour of the December meeting going ahead. Sr. Perez Guerrero to-day said he assumed all eight of the Western participants at the talks would be represented here in December, though the U.S. has put the word around that Dr. Henry Kissinger, the outgoing Secretary of State, will be unable to attend.

ICI sales stable as recovery in chemical industry levels off

BY RHYS DAVID, CHEMICALS CORRESPONDENT

SALES AND PROFITS in the third quarter by Imperial Chemical Industries, Britain's biggest industrial company, were almost the same as in the preceding three months, providing further evidence that the recovery by the world's big chemical producers has reached a plateau.

Total sales came to £1.03bn. compared with £1.024bn. in the second quarter, but pre-tax profits, at £149m., were marginally less than the £151m. earned in the previous three months. The latest quarter's profits also include a higher provision for exchange rate gains as a result of sterling's devaluation — £33m. against £25m. in April-June.

The results remain a very substantial improvement, however, on the very depressed figures 12 months before, when profits of only £71m. were recorded on sales of £768m. The third quarter last year marked the low point in the recession for ICI and other chemical companies, but the recovery in the final quarter of last year and the first quarter of this year has not since been maintained.

Mr. Fred Hillebrandt, finance director of ICI, said yesterday the industry appeared to be poised half way towards full recovery, with the strong growth expected throughout this year not materialising. In the third

Report Page 25
Lex Back Page

quarter volumes were down by 5 to 6 per cent., though seasonal factors were partly responsible, and prices remained relatively weak.

ICI along with other U.K. chemical companies is deriving benefits from strong export sales, which increased by 39 per cent. to £1.8bn. in the first nine months of the year, compared with an increase in home sales of only 23 per cent. to £1.18bn. Demand from Europe has weakened, however, with more distant markets, including India and Australia, showing greater buoyancy.

Capacity being worked within the ICI group overall is put at 85 per cent. with fibres still the weakest area. But the company is hoping that last year's fibre losses of £30m. can be halved in 1976 as a whole. Paint sales are also running at a reduced level as a result of a decline in consumer demand and the slow pace at which manufacturing industry as a whole is returning to higher levels of output.

Total ICI pre-tax profits for the first nine months now stand at £428m.—a significant improvement on the £226m. recorded in the same period last year. ICI estimates, however, that after adjustment for inflation on the basis of current purchasing power, its earnings would be reduced by £170m. On a comparable basis, inflation in the first nine months of last year reduce dprofits by £190m.

£ in New York

—	Nov. 25	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

Capital spending starts to recover

BY PETER RIDDELL

CAPITAL SPENDING by manufacturing industry is improving, although there has been only a very limited recovery so far.

Investment by manufacturing industry rose by about 2 per cent. between the second and third quarters to £418m. (at 1970 prices, seasonally adjusted), according to provisional Department of Industry estimates published yesterday.

This is the second successive quarterly improvement and spending is now almost 4 per cent. above the low point of the first three months of the year, but it is still only at the level of the July-September period of 1975.

The Department of Industry also announced yesterday that the volume of manufacturers' stocks had shown a small rise in the third quarter following a large fall in the previous three months.

However, in spite of the lowering of overall growth projections, most forecasts suggests a continued recovery in manufacturing investment from its current low level.

In its most recent economic analysis at the end of last month, after the sharp rise in interest rates, the Confederation of British Industry forecast a rise of 15 per cent. next year. Investment plans which were postponed during the 1974 liquidity crisis have been revived because of the increase in manufacturing output and the need to replace old plant and machinery.

But in spite of this projected recovery, the rate of investment by the end of 1977 is still expected to be below the previous peak level in 1971, and this morning'sNational Institute Review suggests that spending could remain flat in 1978, because of excess capacity at the end of 1977.

Moreover, the partial recovery in manufacturing spending may be offset by falls in capital investment by the public sector, a drop in housebuilding, and also possibly, by a decline in spending on North Sea development.

The most recent Department of Industry survey (conducted two months ago) suggests that the volume of investment in 1976 will be about 4 to 5 per cent. below that of 1975. This would indicate a rise of about 3 per cent. in the fourth quarter.

The main recovery in investment so far has come in expenditure on plant and machinery and building work remains flat. Capital investment in the distributive and service industries is also beginning to recover.

The level of physical stocks has fluctuated sharply this year. After a rise of £31m. (at 1970 prices, seasonally adjusted) in the first quarter, manufacturing stocks fell by £115m. from April to June, and rose by £17m. in the third quarter.

Shore delays decision on Windscale

BY DAVID FISHLOCK, SCIENCE EDITOR

MR. PETER SHORE, the Secretary for the Environment, has postponed a decision on British Nuclear Fuels' £600m. re-development plan for its Windscale nuclear factory.

His decision, disclosed in a written Parliamentary answer yesterday, follows strong protests from environmental groups. At the same time, the State-owned company has stressed the importance of the development for its plans to re-process spent nuclear fuel and has said it is close to signing a re-processing contract with Japan worth about £300m.

Statements from both British Nuclear Fuels and the protesting groups tended to assume that the Minister's decision represented no more than a cautious hesitancy in giving the project the go-ahead.

Contracts

Mrs. Avril Orlowsky, secretary of the Lancaster branch of Half-Life, one of the protesting groups, acknowledged Mr. Shore's statement as "a gleam of hope, but little more." Half-Life and Friends of the Earth would continue to press not merely for a public inquiry, but for a full-scale planning inquiry commission.

British Nuclear Fuels said that Mr. Shore had been under considerable pressures to call in the plans for public inquiry, yet had still not done so.

Mr. Con Allday, chief executive said yesterday that, although disappointed that Mr. Shore was still hesitating, the company was ready and willing to provide any further information required.

If the plans were called in, however, it could prove disastrous for the contracts the company was negotiating with such countries as Japan, West Germany and Sweden for the reprocessing of spent oxide fuel.

Since the British Government had agreed last March to the company negotiating new oxide fuel reprocessing contracts overseas, the delay of up to two years implicit in any decision to call in the plans would constitute "something near to a breach of faith" with prospective customers.

A new factor in the debate over nuclear power is the attitude of the U.S. Government on the proliferation of nuclear weapons. One of the by-products of reprocessing is plutonium, which can be used to make either nuclear fuel or nuclear weapons.

Growing U.S. concern at the risks of plutonium proliferation is leading the Government in Washington to call for a moratorium on reprocessing until the risks have been more clearly resolved and collaborative safeguards worked out.

Until now the U.K. Government has said that many nations placed under increasing pressure by rising oil prices to pursue nuclear energy would pay no heed to such a call unless they could be offered an acceptable alternative—namely dependable reprocessing services. Britain, in partnership with the French, has been offering such a service through its Windscale redevelopment.

Asked whether he expected the French to benefit from a long delay in the British plans, Mr. Georges Besse, general manager of Cogema, the French counterpart of British Nuclear Fuels, said he saw instead it as a setback.

It would encourage opposition in France to plans to redevelop the reprocessing factory at Cap le Hague on the Channel.

FEATURES

The Middle East	22	Brazil after elections	5
Politics To-day	23	Report from Beirut	6
North Sea oil	11	FT SURVEY	
Danish incomes policy	4	City of London Prop.	33-38

ON OTHER PAGES

Appointments	2	Lombard	2	Dolan Packaging	27
Appointments Advts.	2	Men and Matters	22	M. J. Gleeson	28
Arts	3	Mining News	26	G.U.S.	27
Bank Return	27	Money Market	40	Lake & Elliot	28
Businesses for Sale	20	Overseas News	4-6	Slimma Group	28
Company News	24-27, 30	Parliament	14	INTERIM STATEMENTS	
Crossword	2	Property	16-20	Amber Indl. Hdgs.	28
Entertainment G'de.	27	Racing	2	Brady Industries	28
Executive's World	21	Saleroom	2	Brickhouse Dudley	28
Farming and Raw Materials	39	Share Information	42 & 43	B & C Shipping	25
Food Prices	42	Stock Exch. Report	40	Caledonia Invests.	26
Foreign Exchanges	31	The Technical Page	12	Dawson Intl.	27
FT-Actuaries Indices	40	To-day's Events	23	Domin'n & Gen. Tst.	25
Home News	10, 11	TV and Radio	2	ICI	28
Intl. Appointments	30	Unit Trusts	41	Lond. & Midld. Ind.	27
Intl. Company News	28 & 29	Wall St. & Overseas	31	MK Electric Hdgs.	28
Labour News	15	Weather	44	Base Landing Rates	40
Leading Articles	22	World Trade News	7		
Letters	23	ANNUAL STATEMENTS		World Value of $	
Lex	44	British Car Auctions	24	Bank of America	29

For latest Share Index 'phone 01-246 8026

LOMBARD

Getting rid of costly illusions

BY ANTHONY HARRIS

THE LAST week has seen a notable advance in the cause of economic confusion. First, we have had a large number of reports of the draconian demands being made of Britain by the IMF — hardly, surely, by the clever but inoffensive Mr. Alan Whittome—or by Mr. William Simon (according to the Washington Post, and a much more plausible story) or the Germans or the OECD. The Government, it is said, must cut its spending, or its borrowing requirement, or its deficit, or the money supply, or domestic credit expansion, or the balance of payments deficit, or any chosen group from these measures. Since many of those reporting these rumours clearly do not know the difference between them, the fog thickens further.

Massacre

Now, for the benefit of those who still felt they could make sense of the situation, we have a forecast from the National Institute to obscure whatever might have been vaguely clear. THE NIESR forecast of an £8¼bn. borrowing requirement for 1977-1978 is not just substantially different from the Treasury's £11bn. forecast, but makes the reported IMF demands look very different. Say the IMF wants an £8bn. borrowing requirement. On the Treasury assumptions, it requires a St. Valentine's Day massacre. If the NIESR is right, it will be quite easy.

How have the two forecasts drifted so far apart? Looking at the details, one might cavil at the 13½ per cent. increase shown for grants to persons, and add another £500m. or so. But the other figures for goods and services and grants abroad look reasonable. One is driven to the conclusion that the bulk of the £2¾bn. gap is financial, a matter of debt interest and Government financial lending to the private sector.

This leads to a very interesting conclusion—it might be possible to get from the doom-laden Treasury world to the much happier National Institute world largely by financial measures designed to cut the cost of borrowing. Since this is a question to which the Government is at last giving some urgent attention, reality could turn out to be a little more like the vision from Dean French Street than the one seen from Great George Street.

Burden

Ah, you may say, but will our creditors be impressed with purely financial changes? Well, of course they won't be, entirely. However, so far as they are concerned with purely financial indicators—money supply and DCE—they should not cavil if financial ends are achieved by financial means. An optical illusion? Yes. But then the "borrowing" that can be eliminated by such methods is itself an optical illusion. Yet in terms of financial markets the borrowing is real, and really could vanish painlessly.

What would then be left would be the real problems: and notably, too high a level of public spending. This is not because public spending is too heavy a burden on the markets: that is partly the result of mismanagement. It is because public spending is too heavy a burden on the taxpayer. It is no good arguing that the German or the American carries an equal burden without complaint: he enjoys a better tax system, but above all he has a much higher real income. We cannot afford American luxuries publicly any more than we can privately. Nor is it any good arguing, like the last White Paper, that present plans provide for a large cut in public spending as a proportion of GNP. That was an illusion created by wishful thinking about the growth of GNP.

So if the IMF is being wise—and some of the rumours suggests that it is—it may well demand public economies without insisting on a massive deflation of the whole economy. If financial strain can be relieved by financial means, and real strain by real cuts, there would even be room for a rise in personal incomes and in investment—the kind of recovery that makes some kind of prospective sense. Let us at least hope.

Canadian group in Isle of Man

THE FIRST North American banking institution to be incorporated in the Isle of Man has been formed by The Royal Trust Company of Canada.

The new company, which is a wholly-owned bank subsidiary, is The Royal Trust Company (Isle of Man). It will have unlimited liability and is backed by the full resources of Royal Trust, whose assets at September 30, 1976, exceeded £2,500m.

RACING

BY DOMINIC WIGAN

Frozen Saint and Early Spring

THOSE highly-promising novices, *Early Spring* and Supreme Halo, clash in to-day's two-mile Oxfordshire Chase, which, with Twilight Spring and Lucky Wish completing the line-up, seems sure to provide a fine spectacle for Newbury racegoers.

Despite the strong claims of Supreme Halo, a top class handicap hurdler, who looks certain to make his presence felt over the bigger obstacles, I do not intend opposing Early Spring.

This handsome and powerfully made bay, owned by Mr. John Rogerson, whose winners in the past have included Pas Seul and Charter Flight, could hardly have been more impressive when obliging in Chepstow's Ken Jones Memorial Chase on his last appearance.

Backed down to 15—8 from 7—2 there, Early Spring always looked like justifying his supporters' confidence, running out a three-lengths winner from Brantridge Farmer, whom he outjumped at all but the last fence.

Early Spring, who will not be inconvenienced if drying winds succeeds in altering ground conditions from good to fast, will probably prove strong enough to contain Supreme Halo if he is able to build up a substantial lead early in the home straight.

An hour before the Oxfordshire Chase, it will be interesting to see if *Frozen Saint* is capable of repeating his success of a year ago in the Clanfield Opportunity Chase.

A half-length winner under 11 st 6 lbs from the favourite, Tuscan Prince, to whom he was giving 2 lbs, last year, Frozen Saint has dropped 9 lbs in the weights for to-day's renewal.

He appears to have a fine chance of gaining a repeat victory off this handicap mark, provided that he is able to keep in touch early on. I take him to outpoint the consistent Gardenvale, a fair third last time out behind Master Spy in a Berni Inn qualifier at Windsor.

Whatever his fate with Supreme Halo, Ron Smyth should have at least one winner from *Gimri* and *Yunkel*, who respectively go for Div. 1 of the Freshman's Novices Hurdle and the second division of the same race. Both have favourites chances.

The Fred Rimell-trained Andy Pandy, the subject of heavy betting for to-morrow's Hennessy Gold Cup, is now down to 10-1 with William Hill, only a point behind the one-time favourite, April Seventh.

Ghost Writer, on whom there were some substantial bets towards the end of last week, heads the William Hill market at 5-1, while Andy Pandy's stable mates, Rag Trade and Mickley Seabright are respectively quoted at 10-1 and 14-1.

Hill's offer 7-2 against Rimell, last season's champion trainer, taking the Cognac Prize which has hitherto eluded him.

NEWBURY
1.00—Gimri
1.30—Frozen Saint**
2.00—Poohbear
2.30—Early Spring***
3.00—Miss Poker Face
3.30—Yunkel*

TEESSIDE
2.15—Infantryman
2.45—Paint Job
3.15—Soutra
3.45—Pal Dan

SALEROOM

BY ANTONY THORNCROFT

£50,000 for stamp

MR. RENE BERLINGEN, a Leichtenstein stamp collector, bought his fourth one penny 1847 "Post Office" Mauritius stamp yesterday at Stanley Gibbons for a record £50,000.

There are only another ten of the orange and red stamps known to exist. The Queen has one and most of the others are owned by museums.

The sale totalled £189,517 and continues to-day.

Sotheby's held its most successful jewel auction ever at Bond Street, raising £402,040. Graff paid £31,000 for an oblong diamond set in a ring and Kaufman, a Miami dealer, £30,000 for a diamond necklace.

An antique memorial ring of 1725 made for the infant son of the Earl of Oxford who only survived four days, was bought by S. J. Phillips for £25,000.

At the Sotheby's musical instrument sale the most highly regarded items, a violin of 1732, made in Cremona by Joseph Guarneri and once the property of Fritz Kreisler, was bought in.

Among the successes a violin made by Omobone Stradiveri in 1714 was sold to a New York dealer for £15,500, while a mid-19th century violin by Joseph Rocca made £9,800.

A violincello by Jean Baptist Vuillaume more than doubled its forecast at £9,500.

The auction of oriental ivories at Sotheby's Belgravia realised £60,417. Skandia paid £1,250 for a large Masayuki walrus ivory group and a Spanish buyer £1,100 for a Shugyoku ivory figure of a girl of 1900. Only two lots were unsold.

There were some high prices at Christies' sale of English furniture, totalling £244,525. There seems to be increasing overseas demand for our furniture and this auction, with lots of fresh items from private sources, was the best of its kind for some time.

The top price was the £36,000 from Woods-Wilson for an Anglo-Indian ivory inlaid bureau cabinet of around 1800. An early George III mahogany commode, attributed to William Vile and originally in the collection of the late Princess Royal was sold for £22,000, while a pair of George II mahogany and parcel gilt secretaire cabinets from the same source made £6,000.

A Tabriz silk prayer carpet went for £9,000 and a Brussa silk rug for £6[illegible]. Most of the lots in both parts of the auction went to English buyers, but many of the dealers were obviously stocking up for the overseas market.

There was an excellent sale of paintings at Bonhams yesterday, which totalled £93,570 with 12 per cent. unsold. Top price was the £4,000—over four times the forecast—for a classical landscape catalogued Wilson.

Mr. Mick Michael, chairman of Stanley Gibbons, selling the penny Mauritius for £50,000 yesterday.

APPOINTMENTS

Dr. P. G. Harvey joins main Board of ICI

Dr. P. G. Harvey is to become a director of IMPERIAL CHEMICAL INDUSTRIES from January 1. He will be succeeded as chairman of the Mond Division on that date by Dr. V. G. Gane, at present a deputy chairman of the division.

From May 1, Dr. C. W. Suckling is to be general manager, research and technology, and his position of chairman of the Paints Division will be taken over by Mr. D. H. Henderson. Mr. R. C. Hampel, a vice president of ICI Americas Inc., is to be general manager, commercial, in place of Mr. Henderson at a date to be announced.

Mr. F. Whiteley, a deputy chairman of Agricultural Division, will be chairman of that division from April 1. He will succeed Mr. G. S. Roberts, who retires on March 31.

★

Sir Rupert Clarke, chairman of Cadbury Schweppes Australia, Mr. Robert Henderson, chairman of Kleinwort Benson, and Mr. Leslie Smith, chairman of BOC International are to become non-executive directors of CADBURY SCHWEPPES from January 1. Mr. David Borland, Mr. Alf Hipsey and Mr. John Tustain, executive directors, retire from the main Board at the end of this year.

★

Mr. Colin Whyte has been appointed sales director at MATRIX ENGINEERING, a member of the Tube Investments group.

★

Mr. R. W. R. James, group secretary and accountant of BARRATT DEVELOPMENTS, has been appointed group financial director from December 1. Mr. J. K. Rowley has become managing director of Barratt Developments (North West), a subsidiary.

★

The Lyndale Group has appointed Mr. F. J. Dalloway and Mr. Alec Morgan as managing director and sales director, respectively, for MANCO.

★

Mr. H. L. Farrimond, a British Railways Board full-time member for personnel and industrial relations, does not wish to be re-appointed for a further five-year term. He will continue as chairman (part-time) of British Transport Hotels.

★

Mr. J. B. Swift, chief executive and managing director of ALLIED ELECTRICAL DISTRIBUTORS, retires on December 31, but is to remain a consultant for a further year. He will be succeeded by Mr. Dennis Harding, lately of Loyds Retailers.

★

Mr. John Price, managing director of ARTHUR PRICE OF ENGLAND, has become chairman. Following the acquisition of shares in the company to give him a controlling interest, Mr. Price has reorganised his executive directors. The Board now comprises: Mr. C. Oettinger, deputy managing director and director of marketing; Mr. T. Rickinson, financial director; E. Kirk, production director; C. Cursley, director, Price [illegible] Services; and Mr. R. Es[illegible] director, Price Marketing [illegible]ciates. Mr. Bill Bunting and [illegible] Derek Stephenson are dir[illegible] in charge of the compa[illegible] Sheffield interests.

★

Mr. Stanley Race, chairman [illegible] Redfearn National Glass has been elected president of the GLASS MANUFACTURERS FEDERATION for 1977. Mr. Stanley Waring, deputy managing director of Co[illegible]ing, has been elected deputy president of the Federation.

★

Mr. C. C. H. Brand and Mr. J. [illegible] Green have been appointed to the Board of J. H. FENNER AND CO. (HOLDINGS).

★

Mr. John D. G. Evans, [illegible] executive of PD Industrial Services, of Bridgend, has been appointed a director of SEPRIT.D. a Powell Duffryn subsidiary w[illegible] headquarters in Holland and branches in France and Belgium. Mr. Evans is also a director of PD Pollution Control, and it is planned to expand the group's industrial cleaning services in Europe.

★

Mr. B. Southerst and Mr. C. G. Radin have been appointed joint group managing directors of RAMAR TEXTILES. Mr. Southerst has resigned as secretary and has been succeeded in that post by Mr. R. Chapman.

CONTRACTS AND TENDERS

PARLIAMENTARY NOTICES

IN PARLIAMENT
SESSION 1976-77
AUSTRALIA AND NEW ZEALAND BANKING GROUP

NOTICE IS HEREBY GIVEN that application is being made to Parliament in the present Session by Australia and New Zealand Banking Group Limited [illegible]

[illegible]

IN PARLIAMENT
SESSION 1976-77

[illegible]

LEGAL NOTICES

[illegible]

COMPANY NOTICE

[illegible]

TV/Radio

† Indicates programmes in black and white

BBC 1

9.30 a.m. For Schools, Colleges. 10.45 You And Me. 11.05 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Teddy Edward. 1.50 Ring-a-Ding. 2.02 For Schools, Colleges. 3.00 Her Nodiant. 3.30 The Sky at Night. 3.53 Regional News (except London). 3.55 Play School. 4.20 It's the Wolf. 4.25 Jackanory. 4.40 Emu's Broadcasting Company. 5.10 The Discoverers.
5.40 News.
5.55 Nationwide.
6.45 Sportswide.
7.00 Holmes and Yoyo.
7.25 Ken Dodd's World of Laughter.
8.10 When The Boat Comes In.
9.00 News.
9.25 The Quest.
10.15 Tonight.
10.45 Regional News.
10.46 The Friday Film: "Rasputin The Mad Monk" starring Christopher Lee.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. O Dan Y Mor. 5.55 Wales Today. 7.00 Heddiw. 7.20 Holmes and Yoyo. 7.45 Her Nodiant. 8.15-9.00 Ken Dodd's World of Laughter. 9.25 When The Boat Comes In. 10.15 Kane on Friday. 10.45 News for Wales. †10.46-12.16 a.m. "Woman In A Dressing Gown" starring Yvonne Mitchell.

Scotland—10.23-10.43 and 11.30-11.50 a.m. For Schools. 5.55 Reporting Scotland. 7.00 Ken Dodd's World of Laughter. 7.45 When The Boat Comes In. 8.35-9.00 Current Account. 10.15 The Pleasure Is Mine. 10.45-10.46 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-7.00 Scene Around Six. 10.15 A Children's Concert. 10.45-10.46 News for Northern Ireland.

England—5.55-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth). 10.15-10.45 North (from Leeds) The Boy From Bowers Row; North West (from Manchester) Home Ground; North East (from Newcastle) Up North; Midlands (from Birmingham) The Blackboard Wrangle; West (from Bristol) Waugh Talk; South West (from Plymouth) Peninsula; South (from Southampton) Spitfire!; East (from Norwich) Newscue.

BBC 2

11.00 a.m. Play School.
7.00 p.m. News on 2 headlines.
7.05 Indoors Outdoors.
7.30 Newsday.
7.45 Oh, To Be In England.
8.10 The Money Programme: The Bank of England.
9.00 Rutland Weekend Television.
9.30 A World of Music.
10.15 The Expert.
11.05 Late News on 2.
11.15 Open Door.
11.45-11.50 Closedown. Stephen Thorne reads "As the Team's Head-Brass" by Edward Thomas.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Mister Trimble. 12.30 Battle of the Comics. 1.00 News, plus FT index. 1.20 Lunchtime Today. 1.30 Crown Court. 2.00 Money-Go-Round Good Afternoon. 2.25 Friday Matinee: "Terror In The Sky." 3.50 Emmerdale Farm. 4.15 The Siege of Golden Hill. 4.45 Magpie. 5.15 University Challenge.
5.45 News.
6.00 Today.
6.35 Crossroads.
7.00 Lucky Feller.
7.30 Sale of the Century.
8.00 Within These Walls.
9.00 Police Woman.
10.00 News at Ten.
10.30 Police Five.
10.40 Russell Harty.
11.30 The Friday Film: "The Clairvoyant" starring Claude Rains.
1.00 a.m. Close—Gordon Bailey reads one of his own poems.

All ITV Regions as London except at the following times:—

ANGLIA

[illegible]

ATV MIDLANDS

[illegible]

BORDER

[illegible]

CHANNEL

[illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible] Chuckleheads. 5.20 Crossroads. 6.00 Y Dydd. 6.15 Report Wales. 6.30 Lucky Feller. 7.00 Yus My Dear. 7.30 The Bionic Woman. 8.30 Sale of the Century. 9.00 Beasts. 10.35 Outlook. 11.05 The John Morgan Programme. 12.05 a.m. Bless This Home.

HTV General Service—As HTV Cymru/ [illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1

[illegible]

RADIO 2

[illegible]

RADIO 4

[illegible]

RADIO 3

[illegible]

BBC Radio London

[illegible]

London Broadcasting

[illegible]

Capital Radio

[illegible]

F.T. CROSSWORD PUZZLE No. 3,244

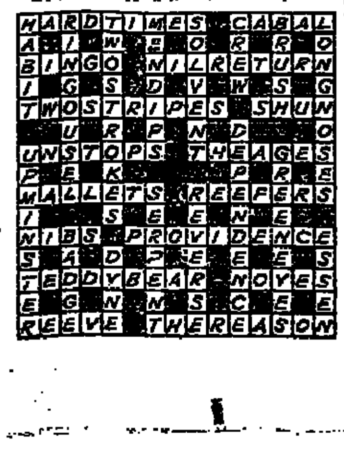
ACROSS

1 Posed with anger, being a subject of ridicule (6)
4 —— (8)
9 Where vehicles may be stopped taking fish before time (6)
10 Unexpected income from ripe fruit (8)
12 Soft drink upper-class mix with brandy for people (8)
13 Has wet eruption to bandage (6)
15 Account for Japanese liquor (4)
16 Joining soldiers in garrison initially (7)
20 The rate must be changed for a scene of operations (7)
21 Two gases making one bristle (4)
25 Large fender in America (6)
26 Wilfully disregarding soldier returning with no band (8)
28 Caught with drink. Gin? That's nonsense! (8)
29 Support for broken member creating division round the north (6)
30 Love-song could be seen and read differently (8)
31 Some French intend to degrade (6)

DOWN

1 Endorse letters giving directions (8)
2 Spell fish? That's one way! (8)
3 Give pleasure to soldiers before storm (6)
5 Left an atmosphere in the den (4)
6 Bequeathing and finish in debt (8)
7 Compels payment without a book (6)
8 Soldier one must leave to join up (6)
11 Scrutinise boy turning up? It's malicious gossip! (7)
14 Keeping silver in a shop (7)
17 Intimidate then tear apart (8)
18 When to wed at sea by the sound of it (8)
19 Scare, right in the swamp (8)
22 Airman in a bus? It could add up! (6)
23 I'm taking two to create damage .... (6)
24 .... and two more join up .... (6)
27 .... and must follow learner in the country (4)

Solution to Puzzle No. 3,243



Loneliness of the Long-distance Ski-jumper by NIGEL ANDREWS

of Woodcarver
d Wild Game
Pullman and
East Finchley
... For Now
Square Theatre
s Where Man
Film Festival

of God, and Kaspar Hauser er Herzog to ; and showed the most start- alents working inema to-day. bizarre and of subjects; erzog's images er than to have into symbolic tist's brain, to formed and gination. Inter- zog's work is to a simple neaning from etimes is with al compatriot s best films added, elusive eam.

oes, whether or or illiterate ets adrift in a society. The f Woodcarver nute film about jumper Walter arver by trade, s roles both as sman the same eative, energy- ind the same t in the taking per Steiner is a in the way that a novel about suits described meticulously— and visible ex- inward and No one but ave assembled ings that form kiing footage, n his workshop, nike-in-hand to one of those nest TV com- turned them nystical medita- e of ecstasy.

iner's fortunes ampionship at ia. He breaks a e almost, in a reaks his neck: the contest. wer beside the amera stands at f the jumpers' g the first part rom below, the —and produces ost bewitching ge I have ever per's airborne at flat against id ruffling his e, distant noise m, set features; lunge forward, d bird of prey course for its

es by Steiner, e camera, one poetic epilogue the film right and into mis- the skier tells he once reared ily to see it one by its envious fellows. (Steiner devotes much energy earlier in the film to castigating the dangers and competitive severity of modern skiing.) In the second soliloquy, Steiner speaks of his need "to be all alone in the world ... Myself, naked on a high rock, no storm, no snow, no banks, no money, no time, no breath—then at least I wouldn't be afraid."

★

The other half of the Paris Pullman's excellent all-German double bill is Fassbinder's *Wild Game:* another meditation on freedom and defiance, albeit one anchored to a more precise social context and enshrined in a typical Fassbinder essay on the way community indignation and hysteria escalate around the non-conformist.

More than most films by the German director, this one delights in—or suffers from, according to taste—an almost marionetish primitivism of style. The minor characters are moved around the screen with a quaint, jerky woodenness; called upon to deliver, in ever more plaintive monosyllables, their self-ridiculing ideas of Life, Love and Morals. One feels here, as one has sometimes felt before in Fassbinder's films, that if one snipped the air above his characters' heads they would fall in a heap like unstringed puppets.

Where Fassbinder's *faux naif* style works is in the mischievously deadpan way in which he deflates social pretensions and hypocrisy. The film's heroine is a buxom, precocious 14-year-old (Eva Mattes) who drifts into an affair with a 19-year-old boy (Harry Baer). A work colleague of the latter's betrays him to the police, and the boy is hauled off to prison for nine months for "seducing a minor." On his release, the boy and girl continue their affair, until the growing fury of the girl's father brings about a violent climax.

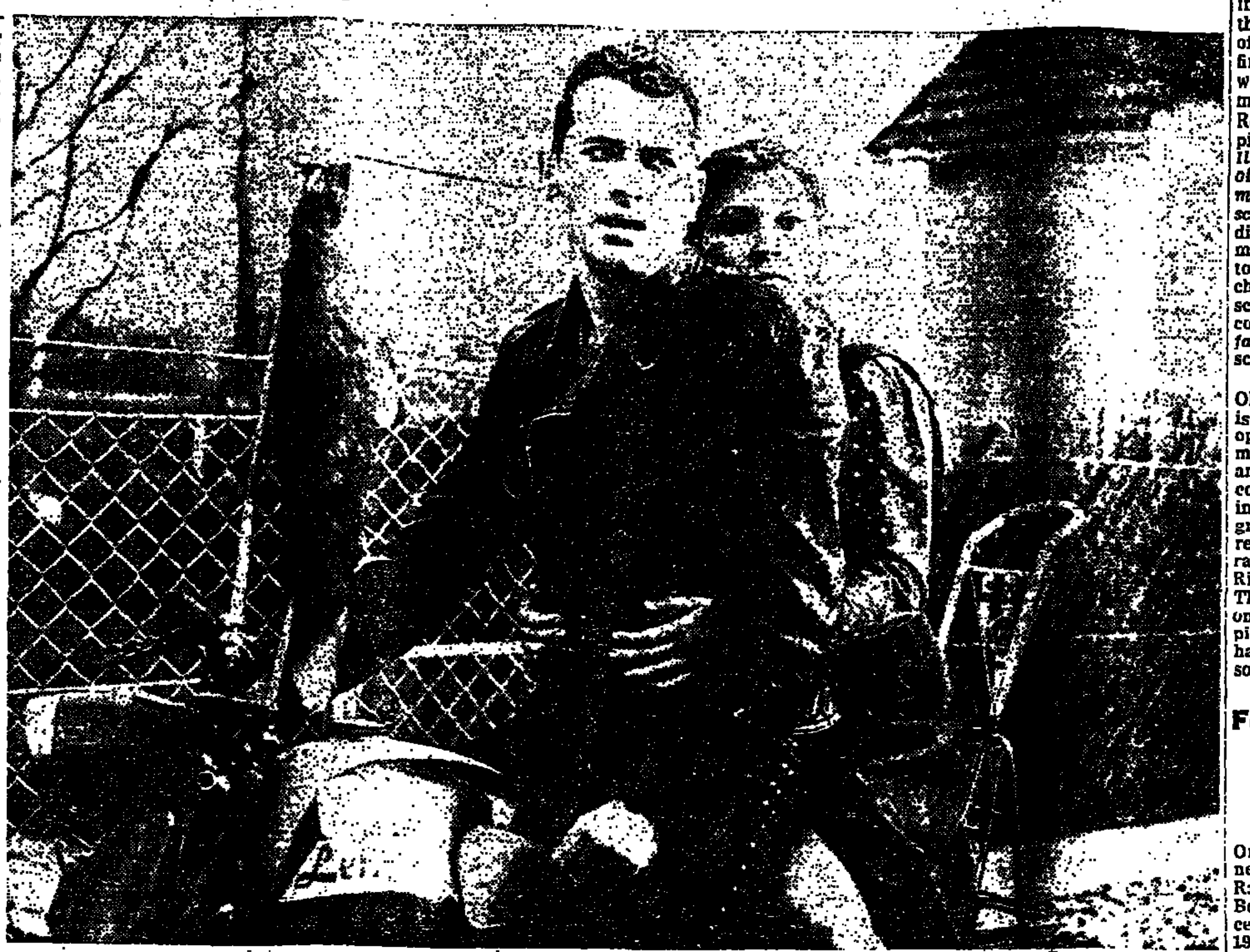
The early scenes between the girl's parents, set in a domestic jungle of china ducks and gift-shop crucifixes, are master classes in *moral chop-logic:* one partner trying to outbid the other in self-righteousness, hypocrisy and uncomprehending petulance.

The love affair is less effectively drawn. Seen disenchantedly from the beginning as hardly more than the scratching of an adolescent itch, its sudden, impassioned renewal after the boy's release from prison is unconvincing. And the representative *ordinariness* of Fassbinder's young couple — the plump, dim working-class girl and the boy with his leather jacket and shiny show-off motor bike—is crucially betrayed by the film's climactic plunge into *crime passionel.* For once, the two opposing strengths of Fassbinder—realism and melodrama—remain locked in stubborn conflict: and the film's parts, though individually often impressive, never quite add up to a persuasive whole.

I Will . . . I Will . . . For Now is an American comedy almost as palsied and incoherent as its title. Elliott Gould and Diane Keaton play a divorced couple who, reunited some time after the break-up of their ten-year marriage, decide to give their relationship another try. With the help of a lawyer friend (Paul Sorvino) they draw up a contract which binds them together for six months—with options for renewal—and buttresses their partnership with small print. Soon, however, all their old problems are recurring, not least when the irresistible force of Gould's libido meets the immovable object of Miss Keaton's bedtime headaches, and the contract is threatened with a speedy extinction. As a last resort, they take off to a California sex clinic, where the movie splutters into top gear for a slapstick finale.

The film is a disaster: and worse, a disaster that lasts a full, feeling 103 minutes. Caught in the crossfire between the film's attempts at comedy of titillation and the coy propriety with which it steers its story towards a happy-ever-after finale, the actors understandably spend most of the film looking shell-shocked and casting envious glances at the exit doors. Indeed, with its relentless incoming and outgoings, its pose-striking one-liners and its frenzied bedroom mix-ups, one is surprised to find that the film did not start life as a stage play. As it turns out, Norman Panama and Albert Lewin must bear the responsibility for the original screenplay: and the former the added stigma of having directed it.

Showing at the London Film Festival next week, and well worth catching if the National Film Theatre's beleaguered box office can still furnish you with tickets, is Michael Raeburn's feature-length documentary *Beyond The Plains Where Man Was Born.* Shot in Tanzania, it tells the story of a young Masai herdsman who leaves his native village for the rewards of a school and university education, but finds it is less easy than he had hoped, after his studies are over, to return to his people and use his knowledge for their greater good. Thoughtful, lucid and admirably shot, the film spotlights some of the problems that arise from the uneasy coexistence of two cultures: and points a finger at the peculiar folly of an educational system in which the bright get brighter and the backward ever more backward. Well worth seeing, the film shows at the National Film Theatre on Saturday, December 4.



Harry Baer and Eva Mattes in 'Wild Game'

The Entertainment Guide is on Page 27

Rome opera

Rossini by WILLIAM WEAVER

Many years ago, perhaps 20, at the Teatro delle Arti in Rome, an enterprising company of young singers gave several seasons of little Italian comic operas, those one-act *farse* that, in the early 19th century, were the bread-and-butter repertory of travelling troupes of less than first-category performers. The work performed at le Arti—many of them brand new in the Roman audience — included pieces like Donizetti's *Betly* and *Il campanello*, and of course lots of early Rossini: *La cambiale di matrimonio*, I remember, and *La scala di seta.* Then that company dissolved, and those works pretty much faded again from the repertory. Rome does not have a chamber opera house, no Piccola scala like Milan or Teatro di corte like Naples; and those little *farse* would be lost in the large-scaled Teatro dell'Opera.

To tell the truth, the Teatro Olimpico—a sometime cinema—is not ideal, either for chamber opera. But the Accademia Filarmonica Romana, which presents an intelligently-selected series of concerts there each year, also includes in its annual programmes at least one opera. In recent years its selections have ranged from Peri's *Euridice* to Rimsky's *Mozart and Salieri. This year its choice fell, happily,* on Rossini's *La scala di seta,* a piece which, until this instance, had not been heard here for some time, perhaps since those performances in the late '40's.

Actually, as given at the Olimpico, the piece had *never* been heard in Rome before, because this was a new, critical edition by the conductor-scholar Herbert Handt, sponsored by the Rossini Foundation of Pesaro. In the course of his investigations of manuscript scores (there is no autograph), Handt came upon a second Overture, apparently written for some production after the Venice premiere of 1812. Dividing the opera *into two short* acts, *Handt* placed this second—charming—Overture at the beginning of Act 2. Aside from creating a place for the "new" Overture, this division worked well musically, because the second half of the opera has a different quality from the first, more nocturnal (the prominent woodwind solos are indicative), more wistful, despite its comic base.

The Polish Chamber Orchestra—whose forces are just the right size for this kind of piece—did a good job (I especially admired the oboe and the clarinet) under Handt's knowledgeable and elegant guidance. In the cast, the soprano Carmen Lavani was outstanding as Giulia, the secretly married heroine (the libretto is very much like that of *Il matrimonio segreto, but with none of* the refinement of the Viennese confection). Lavani's voice is small, but sweet, and deftly handled. Her clandestine husband was the tenor Ernesto Palacio, not quite so refined an artist, but youthful and ardent and accurate. The other important role is that of the foolish manservant Germano. Here the bass Enrico Fissore allowed his acting to interfere with his singing, which was not always accurate in intonation and sometimes disagreed with Handt's well-chosen tempos.

The rest of the cast was more than adequately strong: Cettina Cadelo, an appealing soprano, was the other girl, in this case the heroine's cousin, who gets the official suitor in the end. This suitor was the experienced bass Robert Amis El Hage. The tenor Angelo Marchiandi appeared in the brief role of the girl's silly guardian.

Mino Maccari, the well-known Italian painter and caricaturist, created the sets and costumes: simple and colourful, but not aggressive. The musicologist and writer Bruno Cagli, turned producer for the occasion, devised a welcome, straightforward staging.

Though the opera's eight numbers are charming (and several—notably Giulia's haunting arias—are more than that), the libretto is sub-standard *farsa* routine. Cagli, wisely, did not try to give the text a value it does not have. The characters came in, sang their music, and went off again. The focus was firmly on Rossini, and he came off very well indeed.

Festival Hall

Boulez by DOMINIC GILL

A splendid BBC Symphony Orchestra programme on Wednesday, also broadcast on Radio 3, spanning in grand Boulez manner the 20th century in France from 1909 to the present day, and rather uncomfortably divided (at least for those of us in the hall, twice moved in quick succession from seats to bar, and back to seats again) into two short parts, and one long part, with two intervals.

The scheme worked backwards, beginning with Boulez's own *Rituel: In Memoriam Maderna,* played for the first time in the same hall last year. This odd, austere orchestral essay once again conjured, at second hearing, in a way that no other Boulez work seems to conjure, a multitude of references, echoes of other music faintly perceived: a swirl of strings and woodwind, like the swirl of instruments heard through the pink veil of Stockhausen's *Trans;* a sudden priestly cadence of Messiaen; delicate bubbles of Italianate texture, quickly punctured. And many insinuating moments: the dying-ember tones of gongs, woolblocks and dark-muted strings; nervous riffs of scraped and shaken percussion; the sudden shriek in pain of brass and clarinet.

The second part of the programme was devoted to two short orchestral song-cycles by Debussy and Ravel: Debussy's lovely *Trois ballades de François Villon*, purest Debussy leavened with — hardly echoes — brief, flickering visions of Wagner; and Ravel's set of three Quixote songs, dating from 1932, *Don Quichotte à Dulcinée*—the last light of a life which ended, as it had begun, inspired by Spanish rhythms and themes. Both were sung by John Shirley-Quirk, in even, ripe-fruited voice, and by Boulez deftly and affectionately accompanied.

The programme ended with an account of the complete ballet-score of Ravel's *Daphnis et Chloë:* music which can find Boulez, on the right night, at his most buoyant and ardent. On this evening, a little less of ardour: but still the same admirable precise elegance, toughened with smooth sensuality; exceptionally fine playing from the BBC's flutes.

Oxford Playhouse

The Duchess of Malfi by GARRY O'CONNOR

Doug Lucie's OUDS production starts with a writhing group of youthful shapes showing bare arms and silky blue or green waistcoats like snakes twining in a pit at the bottom of a shiny metal ladder. Striking images and sounds abound: corrugated metal resonating with the cries of the mad and damned; gaunt, pale faces and cropped heads, cheeks daubed with rouge, eerie pools of light with soft-footed villains gliding in and out.

But it is not only aimed at chilling and grotesque sensation; the verse is carefully phrased and often cunningly thought out from Delio's first inquiry into the state of Ferdinand's household. Duke Ferdinand, a gaunt and wiry pervert, as played by Oliver Cleaver, floats through his evil design on his twin sister as if in a ballet. Bosola, hardly more rational or sane, as portrayed by Philip Franks, has a similarly disembodied diabolism, though his delivery is impeccably cool and precise. It is left to Richard Warren, as the more down-to-earth Cardinal, sporting a fleshy navel beneath his cross, to give the hellish spirits a more fruity incarnation.

Ideally, the Duchess provides extreme contrast to this trio. Monica Kendall plays their tender and helpless adversary with an unusual capacity for wrenching ordinary feeling out of the extraordinary circumstances. Her love for Antonio, played by Simon Bell, has a verve and passion, her defiance of her brother is reckless and pitiable. The tragic end is powerfully shown, as are all the remaining murders.

The programme quotes from A. J. Ayer, a disbeliever in moral authority, J. Bronowski, a scientific humanist, and R. D. Laing, the apostle of liberation through madness, are, incidentally, flatly contradicted by the moral effect generated often with great delicacy in Mr. Lucie's production.

Canterbury

le Rome Burns

ICHAEL COVENEY

's slippery and y starts off like llegory of the ging this sceptic ng has acknow- llan Poe's short he Mask of the his inspiration, to follow his ry vivacity and ny.

grossly charica- ctors arrives in arehouse; they el leading them ax haven where its of civilised cket and Mono- iting for the they threatened or the red rash? know, but after rts redolent of se, some mock nery round a ne ends in wipe-

that while the in merits, of noramic vision, adly with, say, e's *Brassneck* or as a contemporary morality. One feels that Mr. Spurling wants to say something about the quality of life in England to-day, but he never *gets round to specifics.* Instead, the debate remains aesthetically stranded on the question of whether these people are aboard a Ship of Fools or Noah's Ark. The first act ends with the play's best scene, where the islanders, gathered in church for an alarming sermon, are suddenly, one by one, overtaken by a state of hysteria. As the commotion subsides, a married couple are heard quietly and acrimoniously bickering about the failure of their marriage.

Through all this wanders a mysterious stranger in a white suit who laconically spouts riddles while tempting one of the married ladies with the promise of escape. His name is Edgar Allan, but Jonathan Burn is obviously the harbinger of doom, an equivalent of Poe's Red Death who comes like a thief in the night to complete his assignment of wholesale destruction in a decadent society.

It is brave of the Marlowe to undertake the project at all and one can only regret that the piece, which falls sadly and irrevocably apart after the interval, refuses to deal in anything but the vaguest of definitions of a country on the skids. David Carson directs this baffling show with a modicum of conviction, and Terry Brown's bare-bones design cleverly suggests a cardboard Valhalla of fading gentility and fog-bound riverbanks. There are precise acting contributions from John Grillo, Stanley Lebor and Susan Brown.

Coliseum

Der Rosenkavalier by MAX LOPPERT

This revival is graced above all by the Marschallin of Ava June, a performance of high distinction. In an opera where an elegant distinctness of conversational utterance is a crucial requirement of its principals, Miss June's clear, fine, eloquently simple singing of the text works wonders — out of her fusion of note, syllable, and emotional colouration, there shines an illumination of phrase after phrase, touching the lines with subtlety and richness of understanding. Much else combines to distinguish the performance: a softness of gesture; a rare comeliness of bearing, tempering natural sensuousness with dignity; a nice judgment of the point at which the character's predicament becomes maudlin and distasteful, and an equally nice ability to keep well within it. The voice on Wednesday was not always ideally full or steady of tone; yet it managed to sug*gest* great beauty.

Much else is good in this revival. Mark Elder conducts, with an unerring knack of clarifying texture (the start of Act 3, with its busy counterpoint, was particularly sharp and lively), supporting the singers and pacing the acts with easy, sure mastery. Sophie, new to London, is Joy Roberts, pretty, frail of tone and infinitely touching, who might have stepped off a Fragonard swing into the presentation scene. Josephine Barstow repeats her handsome Octavian—though of all the singers, her words are least clear, her manners most touched with "operatic" artifice. Dennis Wicks is the firm, unexaggerated, not specially imaginative Ochs. In its deft, lightly humorous sketches of smaller parts, and its graceful, never too intrusive examination of the important relationships, the John Copley production scores its particular success—and in an opera so full of potentially queasy and dislikeable undertones as *Der Rosenkavalier,* deftness and grace cannot be overpraised.

Ballet International cuts South African tour

Ballet International, which has recently returned from a South African tour under the auspices of the Performing Arts Council of the Orange Free State, has decided to suspend all future plans for touring in South Africa. A second tour proposed by the same sponsors for March, 1977, will be postponed, by mutual agreement, until circumstances are "more generally favourable" for tours of this nature.

The company emphasises that no other part of its work is affected. Its first tour of the regions in the U.K. begins in Bournemouth on December 6 with a production of *The Nutcracker.*

Beer and Beethoven at Stoke

The Lindsay String Quartet is to play all the Beethoven quartets at the Victoria Theatre, Stoke-on-Trent, on Sunday evenings between January 2 and March 27, 1977. These are included in a project labelled "Music and Ale," and the Potteries branch of the Campaign for Real Ale will serve real ale each evening.

Booker Prize for David Storey

The eighth £5,000 Booker Prize for Fiction, Britain's most valuable fiction award, has been won by David Storey for his novel *Saville* (Jonathan Cape, £4.50). This announcement was made by Francis King, on behalf of Walter Allen, chairman of the judges, who is unwell. The award was presented at a dinner at Claridges on Wednesday to celebrate the event. The winner received a cheque for £5,000 and the Booker Trophy.

Sixty-six novels were considered by the judges: Walter Allen, Francis King and Lady Wilson. They released their shortlist of contenders earlier this month: André Brink, *An Instant in the Wind* (W. H. Allen); R. C. Hutchinson, *Rising* (Michael Joseph); Brian Moore, *The Doctor's Wife* (Jonathan Cape); Julian Rathbone, *King Fisher Lives* (Michael Joseph); David Storey, *Saville* (Jonathan Cape); and William Trevor, *The Children of Dynmouth* (Bodley Head).

Warsaw Pact moves nearer to policy co-ordination

BY PAUL LENDVAI

VIENNA, Nov. 25.

A CALL for military detente in Europe, quicker progress at the strategic arms limitation talks (SALT) and at the deadlocked force reduction talks in Vienna, *coupled with the setting up of a* new body within the Warsaw Pact for co-ordinating the foreign policies of the seven member states—these are likely to be the main published results of the Pact summit meeting which opened to-day in Bucharest.

The session of the Political Consultative Committee, the supreme institution of the Pact, is attended by the party general secretaries, Prime Ministers, Foreign Ministers and other high officials of the Soviet Union, Poland, Czechoslovakia, East Germany, Hungary, Romania and Bulgaria. This is the first summit meeting of the organisation since its last such conference in April, 1974, in Warsaw.

In the past, Romania's idiosyncratic line has been the major obstacle to progress towards supra-national forms of economic and *military integration.* Now, however, on the eve of the summit meeting Mr. Leonid Brezhnev, the Soviet leader, appears to have achieved a major political success during his preceding visit to Romania. The full text of the joint declaration signed by him and by Romanian President, Mr. Nicolae Ceausescu, and published last night, as well as speeches at a public rally, reflect a policy shift by the Romanian leadership which goes further than a mere tactical move. The two sides spoke in favour of closer co-operation in all fields, of regular consultations on bilateral relations and international questions, of acelerated integration within Comecon, and of a "comradely co-operation" based on "proletarian internationalism"—a formula which was rejected by the Western Communists parties at last summer's conference in *East Berlin.*

Mr. Ceausescu reiterated his phrases about independence and non-interference in internal affairs, which were also included in the joint declaration, but he pledged full Romanian participation in economic and military integration, and specifically agreed that the strengthening of the defence capacity of each Pact State, and co-operation among their armies, was necessary as "a contribution to lasting peace."

In a masterly speech, Mr. Brezhnev last night not only expressed satisfaction at the result of the talfis, but also indirectly spoke in favour of a reconciliation with China.

Turkey quake toll may reach 3,500

By Metin Munir

ANKARA, Nov. 25.

MORE THAN 2,500 people have been killed and 200,000 left homeless by the earthquake which struck eastern Turkey yesterday, reliable reports from the disaster area said to-day. Officials expect the ultimate death toll to be between 3,000 and 3,500.

The government said Turkey is willing to receive international assistance and the foreign ministry has listed polar tents, prefabricated houses, blankets and winter clothing as items which are urgently needed.

The Turkish radio has been appealing for donations of blood, clothing and money and *asking citizens to* put their vehicles at the disposal of relief agencies.

Yesterday's tremor, which registered 7.6 on the Richter scale, has caused extensive damage in the province of Van, near Mount Ararat, and surrounding areas, whose 350,000 population is mainly engaged in farming and animal grazing.

Istanbul's Kandilli observatory has warned that new tremors may occur and asked people to remain outdoors.

Although there is a large mobilisation afoot, reports from the disaster area indicated that relief supplies have not yet arried at the quake zone in adequate quantities. One correspondent said that relief and salvage work was being hindered by snow, bad roads and a petrol shortage.

The number injured was said to be over 1,500. Several mobile hospitals were erected and the seriously injured were being flown to Ankara aboard military planes.

The Turkish cabinet met here under Prime Minister Suleyman Demirel and discussed the measure to be taken.

Reuter adds from Tehran: Fourteen Iranian villages near the border with Turkey and the Soviet Union were flattened by yesterday's major earthquake yesterday, according to Press reports to-day. The tremors struck the northwest province of Azerbaijan about the same time as the quake hit Turkey.

Eanes warns of intervention

BY PAUL ELLMAN

LISBON, Nov. 25.

GENERAL Antonio Ramalho Eanes, the Portuguese President, to-day indicated he was prepared to use his wide constitutional powers in order to break the country's political log-jam. The President was speaking after a big military parade to mark the first anniversary of the crushing of last November's Left-wing coup attempt.

Sr. Eanes, then an obscure colonel, emerged as the officer responsible for co-ordinating the loyalist forces, and was subsequently appointed army chief of staff. He was elected President in June. In his speech to-day, the President described his election victory as a "mandate to use all expressed and implied powers to make democracy serve the Portuguese people effectively."

The President gave no indication of how he might intervene, but among his powers is that of nominating the Government. It is thought that he might be driven to exercise this power if the Socialists, who have formed a minority Cabinet under Sr. Mario Soares, perform badly in local elections scheduled for December 12. President Eanes warned of the economic difficulties which Portugal faces and added, "time is short."

In a thinly veiled attack on Left and Right in the armed *forces, who believe the military* should take up more of the political running, he said that military men who wanted to get involved in politics should leave the army.

He also had hard words for civilian politicians who have repeatedly complained that the unrest inside the armed forces is hampering their own efforts. "The armed forces must no longer be used as an excuse for the ineffectiveness or indecision of those who, like the military, are responsible for the recuperation of Portugal under the present political arrangements."

The President's speech came against the background of the publication of Government economic planning for the year ahead. According to the Planning Minister, Sr. Sousa Gomes, and the Finance Minister, Sr. Medina Carreira, the Government is to create a public investment programme for 1977, which will result in an increase of 21 per cent. in the gross domestic product.

The Ministers revealed that plans for 1977 will create a budget deficit of 60bn. escudos (about £1bn.), compared with the 35bn. escudos this year. To help to bridge this gap, the Government is planning to float a public loan of at least 10bn. escudos, and there will be further surcharges on goods considered superfluous.

According to the plan, the Government intends to reduce *inflation (currently running at* 35 per cent.) to 15 per cent. next year, and will freeze prices on essential goods. Although profitability criteria will be applied increasingly to state-owned enterprises, the Government has pledged that it will continue to subsidise companies so as to avert further increase in unemployment, which is presently affecting some 15 per cent. of the work-force.

Iberian talks in Lisbon

By Our Own Correspondent

LISBON, Nov. 25.

SPAIN and Portugal have reaffirmed their mutual determination to end almost half a century of relative isolation and to start playing a more active part in West European affairs.

Moves to restore harmony between the two were discussed during a 14-hour official visit to Lisbon by the Spanish Prime Minister, Sr. Adolfo Suarez, which ended late last night.

Relations between Lisbon and Madrid deteriorated sharply after the Portuguese overthrew a right-wing dictatorship in April, 1974, and came close to total breaking point after left-wing demonstrators sacked the Spanish Embassy and consulate here last year.

Sr. Suarez and his Portuguese *counterpart, Sr. Mario Soares,* both proclaimed their determination to put ties between the two nations on a more cordial footing.

Danes in talks to end strikes

BY OUR OWN CORRESPONDENT

COPENHAGEN, Nov. 25.

THE SOCIAL Democratic minority Government and its supporting parties worked hectically until 4 a.m. to-day and then after a five-hour *break,* throughout the rest of the day to try to reach agreement on measures to stop the week-long unofficial strike of oil and petrol tanker drivers.

The measures under discussion include a price-wage freeze for the next four months until new collective labour contracts are signed in March or April.

Meanwhile, there were signs that the strikers are caving in under pressure from the unions, public opinion and the politicians. Although the strike appeared to remain virtually total in Copenhagen and on the island of Zealand, drivers in the Jutland towns of Aarhus, Aalborg and Fredericia voted to return to work.

The drivers at the large container depot in Esbjerg, which handles the bulk of bacon exports to the U.K., who went on strike on Tuesday, also decided to go back to work. They had come out in sympathy with the tanker drivers and also demanded a 20 per cent. wage increase. ... ...

The tanker drivers' strike began in Copenhagen and it was here that an overwhelming majority voted to continue their action. The stoppage in Copenhagen can still have drastic consequences in spite *of the return to work in Jutland.*

The political negotiations have bogged down over Social Democratic demands for a series of dispensations from a wage freeze. The dispensations are necessary to prevent the Folketing (Parliament) from acting in breach of current collective wage contracts which guarantee some unions, such as the engineering workers, the right to bargain for wage adjustments during the period of the collective contracts.

If there are no dispensations, the Folketing risks a conflict *with the entire union move*ment. But the Government's supporting parties, the Conservatives, Centre Democrats, Radicals and Christian People's, fear that dispensations will make a wage freeze illusory.

DANISH INCOMES POLICY

Shreds and tatters

BY HILARY BARNES IN COPENHAGEN

OTHER countries have discovered that incomes policies have a habit of breaking down after a fairly short period. But not every Government is faced with the sad situation of finding its incomes policy in tatters even before it has been implemented. This is the situation facing the Danish Parliament and the Social Democratic minority Government as a result of a series of unofficial strikes this autumn, culminating in this week's strike by about 1,200 oil and petrol tanker drivers which is rapidly bringing the nation to a freezing halt.

The Government and the parties which normally support it have been working frantically to find ways of getting the strikers back to work. Among measures under discussion are a wage and price freeze and increased fines for strikes in breach of collective wage agreements. But the Government is thought to have drawn back from imposing a total wage freeze, even if it would only be for the four months until the new collective agreements are signed in March or April.

Discontent

A total freeze would have involved a head-on collision with the entire union movement. The collective wage agreements are based on different wage systems in different industrial sectors, including a so-called adjustable wage system in the engineering industry. This gives the unions the right to limited wage bargaining during the period of the agreement. A total wage freeze would thus in effect annul the current collective agreement, imposed by statute in 1975 after the unions and employers had failed to reach agreement. The Metal Workers' Union declared last night that it would fight a total freeze by "every available means."

The wave of unofficial strikes has arisen against the background of the economic policy compromise concluded by the Folketing in August. This involved measures to restrain demand to reduce the current balance of payments deficit and incomes policy.

The incomes policy is embodied in a parliamentary resolution which states that incomes in 1977 and 1978 must not rise by more than six per cent. a year. Secondly, the agreement is that from next April a maximum of 4 per cent. a year will be paid out in threshold adjustments, if prices rise fast enough to justify further increments, the government will pay the money into the national pension fund.

The agreement is based on the implied threat that if the unions try to get more than two per cent., the government will resolve the situation again by legislation. This attack on free collective bargaining, coupled with the partial suspension of the threshold system, produced a crisis in the relationship between the TUC and the Social Democratic government in the autumn. This in turn has created an opportunity for the extreme Left-wingers in the union movement to exploit the discontent among the rank and file—which is precisely what has been happening.

Labour unrest is evident elsewhere. Until a couple of years ago any strike in breach of collective agreements was illegal and involved fines for the participants. Since then, however, two-day strikes have been permitted without retribution. But once a strike is on it is difficult to stop, and there has been a fourfold increase in the number of cases coming before the labour court.

Many people also argue that since 1973, when ten parties were returned to the Folketing, including the anti-tax Progress Party, there has been a general decline in respect for the political institutions and that this has had its effect on the labour market as well. Because there is no overall majority, the politicians are forced into complicated and time-consuming negotiations over virtually every decision of any importance: this gives the ordinary voter a picture of a weak and vacillating government, though this may be unfair given the achievements of governments in the past three years under trying conditions.

The Government is also faced with a difficult economic situation which leaves it with little room for manoeuvre. Expansionary measures in the autumn of 1975 to get the economy moving led to a massive rise in the trade and current balance of payments deficits producing also a 6 per cent. rise in private consumption this year. Deflationary measures taken in August inevitably were not popular and little cheer can be expected from the Government's economic forecasts for 1977 due out soon.

Some leading economists paint a very dismal picture, forecasting zero growth in real GNP and no rise in private consumption. Exports may stimulate demand a little. The crucial corollary of this would be a steep rise in unemployment from the current 5½ per cent. of the total labour force to between 7 and 8 per cent. next year.

When this news gets around (and the Government's scenario is hardly likely to differ very much from the one sketched above) the pressure on the Government from the unions, and on the unions from their militant elements, to abandon their conciliatory policy will become intense. Government policy to-day gives top priority to improving the current balance of payments and reducing inflation. Employment comes several lengths behind in third place.

But if the Government abandons these policy priorities it will not only worry Denmark's international creditors but in all probability would be opposed by a majority in the Folketing.

The current balance of payments deficit has averaged 1 per cent. of GNP a year since 1960, building up a net foreign debt of about Kr.37bn., or about 15 per cent. of GNP. This year current deficit will come to over Kr.10bn., of over 4 per cent. GNP.

Debt service

Debt servicing is becoming important consideration. By early 1980s servicing long t debt will come to over Kr. a year. There is also a l short-term debt which has to rolled over continuously.

One cheerful aspect is the country has had no difficu raising very large sums in international markets this ye partly because the markets w in funds, but especially bec. the Government can point considerable success in reduc inflation over the past two yea

The increase in consum prices has come down from annual rate of about 16 per ce in mid-1974 to about 8½ per ce to-day and the increase in hou wage costs from over 20 per ce to about 12 per cent. If August measures go throu the general price level could rising by under 5 per cent. 1978, while the deficit on current balance of paym will come down from Kr.1 to Kr.6-7bn. next year and stantially less in 1978.

But all this will not hap without considerable social in terms of unemployment, this, as the strikes show, already placing consider strain on the existing polit alliances.

W. German money supply rise

THE WEST German money supply widely defined (M-3) rose a record *DM9.2bn. in October on a season*ally adjusted basis, according to the Deutsche Bundesbank, AP-DJ reports from Frankfurt.

The main expansive influence was stepped up credit demand, above all from private persons, and another influence was the extraordinarily steep reduction in Government deposits, by DM7.2bn.

West German demand for consumer goods should hold steady in the next few months, but consumer demand can't be counted on to give economic recovery further incentive, the Association for Consumer Research reported yesterday.

Norway oil

Norwegian State receipts from oil production in the North Sea rose to $100m. in the first 10 months of 1976 from $8m. in the same period of 1975, AP-DJ reports from Oslo. Total State revenues for the first 10 months of this year rose to $5bn., from $4.3bn. in the same period of 1975.

Italian tax

Sig. Gaetano Stammati, the Italian Treasury Minister, said yesterday that he planned to lift the 7 per cent. tax on foreign exchange purchases before the scheduled February 18 deadline, reports AP-DJ from Rome. Sig. Stammati said that the decree which levied the tax, which has been opposed by Italy's Common Market partners and by Italian importers, gave him authority to extend it or drop it early.

East-West talks

At yesterday's 120th plenary meeting of the 19-nation East-West force reduction talks the new head of the British delegation, Mr. Edwin Bolland, urged the Eastern side to give at last a serious and constructive answer to the Nato proposals put forward almost a year ago, our correspondent reports from Vienna.

Perez in Moscow

Venezuelan President Carlos Andres Perez and his Soviet counterpart, Nikolai Podgorny, held "friendly and constructive" talks yesterday in the Kremlin, UPI reports from Moscow. Sr. Perez, who is on a five-day official visit, met with Mr. Podgorny and First Deputy Premier Kirill Mazurov.

Hungary-U.S. trade

Mr. Elliot Richardson, U.S. Secretary of Commerce, had talks yesterday with Hungarian leaders, after being told that Hungary strongly desires most favoured nation status in its trade with the U.S., reports UPI from Budapest.

Milan radicals' collision course

BY ANTHONY ROBINSON

ROME, Nov. 25

THE EMERGENCE of a new grouping of radical anti-Communist Christian Democrats in Milan, under the leadership of Sig. Massimo de Carolis, followed immediately by a newspaper interview in which he forecast a head-on collision between Christian Democrats and Communists, has created consternation in Christian Democrat ranks and demands that he be severely chastised at the forthcoming party National Executive meeting.

Sig de Carolis claims to represent not only the traditional anti-Communist element, but also those who opted for the party for the first time at the general elections in June (when the party picked up votes from the right-wing and moderate lay parties like the Liberals and Social Democrats.

He takes as his models both the CSU of Herr Franz-Joseph Strauss and Mr. Jimmy Carter. The first has just split the West *German Christian Democrat* Party through insistence on a more conservative, anti-socialist line. The latter is interesting to the new anti-Communist radicals because he managed to achieve power by by-passing the traditional party machine.

Sig de Carolis and his followers are challenging not only the present Andreotti Government but also the present party leadership. It is a serious enough challenge to party unity for Party Secretary Benigno Zaccagnini to postpone the party's National Council from the originally planned December 2 to December 10.

This is significant in that it means that Prime Minister Andreotti's visit to Washington will now take place before not after the meeting which expected to reveal the depth the division within the party.

The divisions are not only p duced by Sig. de Carolis and Milanese followers. Sena Amintore Fanfani has also o again revived his long-stand ambitions of engineering frontal position between Ch tian Democrats and Communi

But Sig. de Carolis's presu tion to speak for a new breed Christian Democrats is what most offended the traditio party apparatus. His aim making the party a clearly c servative, anti-Communist pa clashes directly with its in class and popular traditions. the longer run, however, it seen as a situation which mi well lead to the come-back, supreme mediator, of Sig. A Moro.

Overtures to Spain's oppositio

BY ROGER MATTHEWS

MADRID, Nov. 25.

SR. ADOLFO SUAREZ, the Spanish Prime Minister, is planning to draw the teeth of the Opposition parties' hostility towards the referendum on political reform by beginning preliminary contacts with them on the electoral reform law.

According to sources close to the Prime Minister, he will present to the Opposition during the next few days offers of talks which will be difficult to refuse. In return, he will expect the Opposition to drop plans for active campaigns in favour of abstentions in the December 15 referendum.

Earlier this week, Sr. Martin Villa, the Minister of the Interior, angered middle-of-the-road and left-wing groups by saying that the Government would adopt a "belligerent" attitude to anyone encouraging abstentions. A summit meeting of the Opposition is scheduled this week-end to consider its response.

Sr. Felipe Gonzalez, Secretary-General of the main Socialist Party, PSOE, said yesterday that he favoured abstentions because conditions did not exist for a fair test of public opinion.

However, the electoral law is considered to be the most vital element in ensuring that Spain moves firmly towards a Western-style democracy and the Opposition has insisted that it be fully consulted. There were on talks with the Opposition on the contents of the recently approved constitutional reform law.

Sr. Suarez is not prepared to negotiate with any opposition team that includes the Communist Party or groups further Left and this could still prove a stumbling block.

Meanwhile, there is no sign of talks aimed at ending the nationwide teachers' strike that now affects considerably more than 3m. children. The strike committee said to-day that nearly 90,000 staff were out and they were determined to win their demands for higher pay and improved *professional status.*

The prison service was also hit to-day when officers in jails throughout the country began sit-ins in support of wage claim. Doctors employed by the sta health service are threatening walk-out in the next few days and the likelihood of a strike i the banking sector increase yesterday when political polic broke up a meeting of sho stewards who were drawing up a 32-point programme of demands for when their national agreement expires shortly.

With the Government running a substantial budget deficit thi *year, there is genuine anxiety* in the administration about the availability of funds to mee public sector pay claims.

New Yugoslav labour law

BY ALEKSANDAR LEBL

BELGRADE, Nov. 25.

ONE OF the most important pieces of legislation in Yugoslavia—the law on associated labour—was passed to-day by the Federal Parliament in the presence of President Tito. During more than six months of public discussion, the original draft, of 626 articles, was amended in hundreds of places and 32 new articles were added.

The new law, which follows the adoption of a new constitution two years ago, goes further than the constitution in regulating specific issues of self-management. It makes impossible—in the words of Mr. Krio Gligorov, president of the Federal Parliament — the domination of any monopoly, be it private or state-owned, over the disposition of the means of production.

Two basic principles of the law on associated labour are that workers have an inalienable right to dispose of their income and that labour and resources should be pooled, whenever that is required by the nature of production, if that is to yield a bigger income, higher productivity or accelerated development.

The Financial Times, published daily except Sundays and holidays. U.S. subscription $365.00 (air freight), $514.00 (air mail) per annum. Second-class postage paid at New York, N.Y.

ıdeau urges Canadian ty after Quebec poll

OTTAWA, Nov. 25.

ISTER Pierre his first major paratists defeated French-speaking Quebec, has nadians to main- country.
l speech broad- h and English, René Levesque, o-separatist Parti ared to be sworn emier of Quebec. said that though cois had defeated ral party it had m the electorate licy of detaching the Canadian separate country. ess of the Parti ed Canadians to al unity, he said. real, the crisis is allenge is imme- ared.
promised to hold ferences between federal ministers issues resulting c election.
at Canada cannot, anada must not, e. The country in united if its live together in he said.
urged Canadians a united Canada ual respect and

He promised that the Federal Government in Ottawa would look closely at the problems facing the people of Quebec. These include inflation, unemployment and bilingualism.

"I want to assure the people of Quebec, as I did the very moment after the election, that this co-operation will be forthcoming in every way," he said.

The separatists are pledged to holding a referendum on the autonomy issue in Quebec within two years.

Opposition party leaders have blamed the "rigid, centralised" form of Prime Minister Trudeau's Liberal Government for Quebec's election of the Parti Québécois.

In speeches broadcast after Mr. Trudeau's nationwide address, Conservative leader Joe Clark and New Democratic Party leader Ed Broadbent both asked for a less federally-centralised federation.

Mr. Clark said the erosion of the federal-provincial partnership did not begin with the election of a Party Québécois Government.

"Rather, what we have witnessed over the past eight years has been a steady disintegration in the spirit of the partnership between the federal government and all the provinces," he said.

Mr. Broadbent said "although it would be foolish to place all th eblame on the present federal government, there can be no doubt that Mr. Trudeau must share a major part of the responsibility.

"More than any man in modern Canadian history, Mr. Trudeau has been responsible for fostering the dangerous myth that there is only one form of federalism and that is his own rigid, centralised form. "As Prime Minister he should now be aware that his total reliance on bilingualism as the solution to the problems of Canadian federalism has been an unmitigated failure," he said.

Both leaders pledged to work with the new Premier of Quebec, but they said they would oppose Mr. Levesques separatist ambitions.

● Immigration Minister Bud Cullen yesterday introduced a new Immigration Bill which emphasises reuniting immigrant families, eases restrictions on immigrants or those with health problems and tightens measures to keep out lawbreakers.

The Bill allows also for consultation between the federal government and the provinces on the volume, distribution and settlement of immigrants. The federal Government retains final say on any particular matter, however.

Agencies

plan to solve NYC crisis

MER

NEW YORK, Nov. 25.

City and State to have come up nary plan which solve this city's crisis. However which would wholehearted co- New York City's and its municipal on funds, seems ive much support. e plan calls for pension funds to additional $1bn. bonds issued by Assistance Cor-) on top of the $1bn. short-term city debt that they already own. The money raised from this sale would go to pay off the short-term city notes owned by small non-institutional investors.

The principal catch, aside from having to persuade the institutions simply to put up this much new money, is that the interest and capital costs of these new bonds would be met by existing funds already pledged to cover other MAC notes already issued. Thus, the banks would effectively receive no extra cover for their more-than-doubled short-term city holdings.

This plan is seen by some as essentially similar to a scheme put forward in the spring by the city and rejected firmly at that time by the banks. To-day the city, working against a self-imposed deadline of three weeks to pay off the small investors, is up against the wall. The only apparent alternative to the bank's agreement would seem to be a call for more federal Government aid and this the city does not want to make, at least until President-elect Carter takes over.

ral strike threat by can businessmen

MEXICO CITY, Nov. 25.

iness and indus- o organised huge rotests in 52 yesterday, have call a general President Luis overnment expro- ore private farm

11-state Business stically affected ivity from Sonora North-West to deep south.

ow, President of regon Chamber of Sonora said, "it is that private be respected until inishes its term, eon. The property that was taken away from the farmers in Sonora state must be returned to them."

Sparrow and other state Chamber of Commerce presidents organised Wednesday's protest after *last week's Government* seizure of 243,100 acres of prime wheat and cattle land in Sonora the nation's breadbasket. The Government said it was turning the property over to more than 8,000 poor peasants.

Private landowners believe the Government may plan further expropriations in Sinaloa, a state immediately to the south of Sonora, where most of the country's major vegetables are produced.

AP-DJ.

Smoothest transition for Carter

By David Bell

WASHINGTON, Nov. 25.

MR. JIMMY CARTER was at home in *Plains, Georgia,* to-day celebrating Thanksgiving Day with his family and perhaps giving some unsoliciated advice to his brother Billy who yesterday announced that he plans to run for mayor of the little town and its 683 people.

But the holiday pause will no doubt also give the new president time to reflect on the rst few weeks of the transition from the outgoing Ford administration to his own which takes office in less than two months time. Most veterans of past "interregnums" seem to agree that this has so far been one of the smoothest changeovers this city has ever seen, but it is also clear that Washington has surprisingly little idea still how the new president will actually operate.

For the moment, Mr. Carter is certainly being praised for his political aplomb. This week's tow-day visit to Washington, for instance, seems to have been remarkably successful, so successful that it even prompted Sen. Charles Percy, a Republican, to say that the "honeymoon has begun and he intends to see it is a long long one." Other Senators were also to be heard making approving noises about Mr. Carter's humility, intelligence, courtesy and accessibility.

On Capitol Hill, Mr. Carter handed out his own bedside telephone number of Democratic Senators and Congressmen and told them he was well aware that Pennsylvania Avenue, the street that links the White House to the Capitol, is a a "two way street" and that he would never forget that.

First National Bank of Atlanta

The American bank of which Mr. Bert Lance is President was wrongly named in yesterday's Financial Times as the First National Bank of Atlanta. The bank in question is in fact the National Bank of Georgia, which is considerably smaller than the First National Bank of Atlanta.

BRAZIL AFTER THE ELECTIONS

The expensive road to democracy

BY DAVID WHITE, BRAZIL CORRESPONDENT

RIO DE JANEIRO, Nov. 25.

THE PROSPECT for political liberalisation in Brazil is being increasingly overshadowed by economic difficulties. The more President Ernesto Geisel's Government finds itself forced to take unpopular decisions on the economic front, the less likely it seems that the political status quo—a military regime with patchy democratic trimmings—is likely to see fundamental changes.

Prospects in the political and economic spheres are all the more uncertain in the wake of the elections held on November 15. The elections, held to choose local authorities throughout the country were the first opportunity—though a very limited opportunity—that the electorate has had to express itself on the Government's record since the congressional elections of two years ago.

Although the local elections gave General Geisel what he wanted, they have done little to clear the air. From the still incomplete results there is no question that the Government party, the National Renewal Alilance (ARENA), won on all counts, although the one legal opposition party, the Brazilian Democratic Movement (MDB), increased its share of local government positions and scored convincing victories in some of the more developed areas such as Rio de Janeiro, Rio Grande do Sul and urban Sao Paulo.

More prestige

ARENA has claimed a winning margin of 4.5m. votes in an electorate of 43m., and although the opposition conquered Salvador and some other important towns, the Government party made a surprise comeback in the farming state of Paraná and proved that the opposition tide is not irreversible.

All of this was played out on a scale that made it obvious that much more than local positions were at issue. General Geisel himself took personal command of ARENA's campaign effort. Carrying more prestige than the Government as a whole, and certainly more than the party, he managed to recover part of what was lost in the 1974 Congressional elections, when the MDB romped home with 70 per cent. of the Senate vote.

But it would be misleading to assess his victory as equalling the MDB's success: ARENA stood unopposed in many of the country areas where almost half Brazil's 110m. people live, and restrictions on party broadcasts and advertising were so great that there was hardly any campaign at all except for General Geisel's.

The workmen putting up election hoardings in Rio de Janeiro soon cottoned on and placed Government posters where they could be seen, facing the traffic, and opposition posters where they could not. Television campaigning, reduced to still photographs of candidates with the briefest of biographies, provided a mere pantomime version of President Geisel's promise to Congress earlier in the year—"The full exercise of the right of the democratic vote, without pressure or coercion."

At the very least, the elections were supposed to give prestige and credibility to the two political parties, both of which were created by the army after its 1964 coup. But the parties themselves undermined this effort by internal squabbles, which resulted in the only scenes of violence during the elections. In Sao Paulo, the MDB has frittered away some of the capital gained two years ago in a corruption scandal in which one of its senior members is accused of using expense account funds to buy such items as "ladies' knickers" and "a Donald Duck bed."

All in all, nothing in the political scene has changed, but the economic outlook has been deteriorating steadily. The Government waited until after the elections to announce a $3.5bn. cutback in its spending plans for next year. Faced with a heavy oil bill, a big trade gap, a snowballing foreign debt (now around $27bn.) and rising infla-

PRESIDENT GEISEL
... democracy incompatible with shanty towns.

tion of about 45 per cent. a year, the Government has found no alternative to slowing economic growth. Other austerity measures, including curbs on petrol consumption, are likely to follow.

The economy has undoubtedly top Government priority, and there is little incentive for it to start meddling with political arrangements. The Government seems certain to proceed with the next round of elections for Governors and for most of Congress, in two years' time without abandoning either the two-party system or the range of unconstitutional weapons known as "institutional acts" which ensure the President always gets the last word.

The economic crisis has not only made it more difficult for the Government to be sure of a popular base, but has also divided the ruling establishment. There are still strong partisans of the tougher style of the previous Government, which saw Brazil through the period marked by the "economic miracle," a stockmarket boom, and the start of the Trans-Amazonian Highway. On the other hand, there is also pressure for radical changes in the economic structure which has been built up since 1964 and which allots a big role to foreign capital.

At this stage it is impossible to tell quite what will happen in 1978. Of the 22 senators whose mandates last until 1982, the MDB has 16, which means that it needs only 17 of 42 seats up for election in 1978 to take over a Senate majority. In the gubernatorial elections, the Opposition can count on taking at least Rio de Janeiro and Rio Grande do Sul, a politically important State which has provided the last three Brazilian presidents — *if the army Rightwing allows it.*

Army excesses

There is no guarantee that it will accept more than a very small degree of liberalisation, unless President Geisel can prove that he can win in a genuinely free election. So far there has been only one free election since 1974, and the Government lost it. Afterwards, President Geisel had to resort to his "institutional acts" to remove, for political reasons, four opposition Congressmen and one state deputy, moves which reduced even further Brazil's all too modest list of democratic credentials.

Brazil no longer has direct elections for President, and the next Congress, by a constitutional quirk which gives the President a five-year term and Congress four years, will have no direct bearing on the country's leadership. State governors were appointed in 1974, and there is still doubt whether they will be elected directly in 1978, though both the constitution and President Geisel say they will. And although Brazil goes through the ritual of local elections, the prefectures of all the main towns are, like the governorships, appointed posts.

However, President Geisel has succeeded in carrying out a heavy election programme to schedule, in a freer atmosphere than before, and seems determined to continue doing so. Hard-line regional army chiefs in the northeast and in Sao Paulo have been replaced by Geisel supporters, strengthening the moderate faction in the army high command. Many officers are believed to be prepared to accept a civilian President although General Geisel's immediate successor will almost certainly come from the military. Army excesses have been contained and torture of *political prisoners appears to* have stopped since May. Censorship, though still applied in an arbitrary and unequal fashion, has been eased. Lastly, and importantly, General Geisel has set has sights on a more just social policy, already marked by an expansion of state health insurance and assistance to small farmers.

All of this does not yet mean that Brazil is steering back towards democracy. President Geisel himself was quoted by a Sao Paulo newspaper correspondent who accompanied him on a recent visit to Japan as saying: "There cannot be a democratic regime where there are shanty towns and people starving to death."

OVERSEAS NEWS

Hua warns Chinese people of 'arduous tasks ahead'

FINANCIAL TIMES REPORTER HONG KONG, Nov. 25.

MR. HUA KUO-feng, in his first public speech since becoming Chairman of the Chinese Communist Party, said yesterday that the purge of radicals from the party leadership was "a great, historic victory." But the 56-year-old successor to Chairman Mao also told the Chinese people that "arduous tasks are still before us."

Mr. Hua spoke at a ceremony held in Peking's Tien An Men (Gate of Heavenly Peace) Square for the laying of the cornerstone for a memorial hall for Chairman Mao.

Peking Radio said 8,000 persons attended the ceremony, held shortly before sundown at the work site for the "Chairman Mao Memorial Hall," where the preserved body of the late Chairman will lie in a crystal coffin.

"The people for generations to come will be able to pay their respects here to Chairman Mao's remains," Mr. Hua said. He denounced Chairman Mao's widow, Chiang Ching, and three of her radical associates by name in his 600-word speech.

Mr. Hua said the party had "won a great, historic victory in smashing the plot of the anti-party gang of four who tried to usurp party and state power. An excellent situation, indeed, prevails throughout the country, from East to West, from North to South and from town to countryside."

He warned, however, that "we should not be conceited. Arduous tasks are still before us."

Although Mr. Hua said the situation was "excellent," only a few days earlier he ordered the army into government offices, factories, schools and other organisations in Fukien province.

There was no positive indication that the province was a serious trouble area. But diplomatic observers said the action appeared to indicate that things were not going right in the province, which is about 100 miles from the nationalist-held island of Taiwan.

A broadcast said "a very small number of people" in the province had been acting in concert with the "gang of four" to cause trouble.

Meanwhile, the campaign against Madame Mao continues to-day. The People's Daily alleged that Madam Mao and the radicals "with the aim of usurping party and state power, resorted to many underhand manoeuvres to criminally interfere with and sabotage the preservation of Chairman Mao's remains."

The report was seen as confirmation of students' wall posters in Peking University describing a leadership struggle following Chairman Mao's death, on September 9, over what should be done with his body.

Taiwan only a 'minor issue'

WASHINGTON, Nov. 25

CHINESE Vice-Premier Li Hsien-nien has told a visiting group of U.S. Senators the resolution of the Taiwan problem is a "minor issue" in U.S.-Chinese relations.

The "major issue," he said, is the threat posed by the Soviet Union to China and the United States.

Sen. Bennett Johnston reported Wednesday on the group's conversation with Li and with Vice-Foreign Minister Wang Hai-Jung during the Senators' November 5-21 visit to China.

Johnston quoted Mr. Li as saying: "We do not regard Taiwan as a major issue. Taiwan is a minor issue. The major issue is relations with Russia."

Peking regards Taiwan as an integral part of China. The U.S. has a defence treaty with Taiwan.

Peking's fear of a possible Soviet invasion or nuclear attack has caused authorities to construct a honeycomb of shelters under the capital city which can house four million people, Bennett said.

He said Li told the group the Chinese government doesn't expect any attack but should one come "we would lure them into our country and chew them up like a dog."

● A Special Correspondent in Peking writes: Peking is tensely awaiting a new round of earthquake tremors. The official warning to be on guard against further shocks issued last Saturday still stands. Though outwardly calm, local Chinese and foreign residents are edgy and nervous. Some foreigners have evacuated their high rise apartment blocks for the safety of single storey embassy buildings. Those who remain are sleeping fitfully, fully dressed, suitcases packed ready for a speedy emergency exit. Thousands of Chinese have been erecting temporary shelters on the footpaths all week.

More blacks fleeing from South Africa

BY GRAHAM HATTON JOHANNESBURG, Nov. 25.

THE GREAT trek of students and other Africans afraid of police persecution is continuing. They are deserting the townships on the Witwatersrand and heading for black-controlled Botswana and Swaziland, according to a report here to-day.

The number of student refugees in Swaziland has more than doubled to 190 since the first group fled there a couple of weeks ago. In Botswana, where there are between 1,300 and 1,500 refugees, arrivals are reaching the main centres of Lobatse and Gaborone almost daily. The refugees are adults as well as students.

The trek from the republic has placed an added burden on Botswana, which has appealed to the UN for financial help to ease the plight of refugees. The Southern African representative of the United Nations High Commissioner for refugees said that they had not yet had a firm promise of UN help.

Meanwhile fresh allegations of police torture have been made. Two men charged with making Molotov cocktails told the circuit court at Springs that police in Pretoria had given them electric shocks to force them to make statements.

The men, both clerks at the Kalafong Hospital, were charged with sabotage, alternatively conspiring to commit arson. The state alleges they made two petrol bombs at Atteridgeville on October 24. Both men, who pleaded not guilty, told the court that they incriminated themselves after they were given electric shocks by members of the security police.

And in Randfontein six teenage students were promptly re-arrested by police outside a court after they had been freed by a magistrate on charges of public violence. The prosecutor had warned that they could be re-charged if more information could be unearthed.

In Johannesburg more information has come to light concerning police action during the upheavals earlier this year. Giving evidence in a public violence hearing, a police officer told a magistrate he had fired on members of a protesting crowd in Alexandra township with buckshot and later saw five of them at the police station with bleeding wounds.

Rhodesians in Mozambique

MADRID, Nov. 25.

RHODESIAN troops, backed by aircraft and armoured cars, have again crossed the Mozambique border, Mozambique News Agency said.

The agency said the attack was launched on Monday against Vila Manica, in Manica province, and fighting went on near the frontier until yesterday. The area is across the border from the Rhodesian town of Umtali.

Reuter

Tanaka trial date fixed

TOKYO, Nov. 25.

FORMER Japanese Prime Minister Mr. Kakuei Tanaka, 58, will appear in the Tokyo District Court on January 27 to face bribery charges arising from the sale of Lockheed aircraft, it was announced to-day.

The court said that Mr. Tanaka, who was formally charged on August 16, would be tried together with his former secretary, Mr. Toshio Enomoto, and three former officials of the giant Marubeni Corporation.

Reuter

S. Yemenis shoot down Iranian aircraft

THE reported shooting down of an Iranian jet fighter by South Yemeni forces further threatens the rapprochment between Aden and Saudi Arabia which earlier this year offered substantial financial aid to the People's Democratic Republic of Yemen conditional on moderation of the left-wing state's political position.

An official statement from Aden said the Iranian aircraft had violated Yemeni airspace from Oman yesterday and was shot down in the eastern part of PDRY's sixth governate.

After earlier denials that any plane from Oman had been flying over South Yemen, an Oman Foreign Ministry spokesman said to-night that an Iranian aircraft was missing after being fired at from across the South Yemen border.

The South Yemeni foreign ministry, having protested to the United Nations Security Council and the Arab League over repeated violations of its air in Oman, claimed that the in Oman," claimed that the "aggression" was committed with full knowledge and agreement of the Oman Government of Sultan Qaboos bin Said.

In a private meeting during last month's Arab Summit conference in Cairo, President Salem Robaya Ali of South Yemen was warned by Saudi leaders that his country's stance was not following the spirit of their agreement, which had been hammered out during a long series of secret meetings sponsored by Egypt. Diplomats said that Saudi leaders had been irritated greatly by an attack on Oman by South Yemen at this *summer's non-aligned conference* in Colombo.

Plan to disarm Lebanon's armies

BEIRUT,

THE SYRIAN army peacekeeping force which has stopped the fighting in Lebanon after 19 months of civil war, is making plans to disarm hostile private armies, informed sources reported to-day.

Procedures for the surrender of artillery have already been discussed between mediators and the commanders of militia units on both sides of the Lebanese conflict, the sources said.

The collection of artillery—part of the peace plan endorsed by Arab summit meetings last month—is regarded as an important step in consolidating the truce which the Syrian peacekeeping force has imposed on Lebanon.

Many previous ceasefires disintegrated because of anonymous long-range shelling, to which it was easier for everyone to retaliate than for anyone to find out who was responsible.

The Arab peace plan specifies that only heavy weapons must be given up by the combatants. Militiamen on both already hidden their machine guns—and r pects them to be turn the Syrians.

Lebanese and Syria ders of the truce force acting as go-betweens rival factions, but n plan for the collectio weapons has yet been sources said.

Reuter

● Meanwhile, Libya General Conference mended a halt to furt aid to Syria, the agency reported in from Tripoli.

The conference, wh last night, recomm step because of Syria' ment in capitulationis betrayal of the Arab Syrian regime had be swiftly towards a M settlement as well blows to the Palestin tion, the Libyans dec

Syria, Iraq pull in tro

BY LOUIS FARES DAMASCUS,

IRAQI troops which were concentrated on the Syrian/Iraqi border throughout the summer have, over the past few days, begun to withdraw from the Syrian border and the last unit is expected to leave the border area to-day, authoritative Syrian sources said.

In return, Syria to-day began evacuating troops from the border with Iraq, the sources said, adding they expect the withdrawal to be completed within a few hours.

Observers in Damascus see this as a sign the rival Baathist regimes in Dama Baghdad may be rea sider a reconciliation bitter four-year disp dispute reached a c summer over the Sy vention in Lebanon, a countries massed tr their common border.

The observers link withdrawal with th Syria over the past 2 Egyptian Deputy Husni Mubarak, who, ing handed Presiden verbal message from *Sadat, left Damascus* ing for Baghdad.

A sense of optimism is spreading in the Lebai Robert Graham in Beirut, reports.

Syrian soldiers offer tea to Palestinians.

That morning after feel

FOR THE FIRST time in 18 months there is a feeling of optimism in Beirut. It is diffident and incredulous but it is nevertheless there. It has nothing to do with a concrete vision of the future shape of Lebanon, for there is none and anyway it is premature for such things. Nor does it stem from any belief that the problems which created this terrible conflict have been solved. Many of them remain. Instead this optimism derives from something both more abstract and fundamental — a sense of security.

The presence of the Syrian-dominated Arab peacekeeping force, backed by heavy weapons and the all important seal of political approval from the key Arab Governments, has stopped the fighting — and the presence is convincing enough for people to believe that the military phase of the conflict is now over.

For the first time in many months people can begin to carry out some of the normal functions of living — walking in the streets, driving cars, buying enough food to enjoy eating, using electricity and sleeping at night. In the capital, the war has created a profoundly abnormal pattern of living: people confined to their houses, skimping on water, cooking on paraffin stoves, sleeping by candle light, sleep constantly disturbed by shelling. For the first time in a year families are being reunited.

The electricity authority is now promising a minimum eight hours supply a day. Petrol for long in short supply will be readily available by the end of the week as the Zahrani oil refinery near Sidon—damaged by Syrian shelling when the Syrians were seeking to blockade West Beirut—started up to-day.

Gunmen

The gunmen have disappeared from the streets—or rather the guns have been quickly hidden at home and heavy weapons put out of site and the fighters are now causing traffic jams in looted cars or ones they did not have time to drive. Even a few of Lebanon's former police force have re-emerged to direct traffic. Beirut gives the impression of a man walking about with a hang-over, wondering what happened the night before.

Few people have yet grasped the enormity of the destruction and damage that has taken place, and some that do are still sufficiently shocked to behave as though it was all some terrible mistake. "Jumblatt, Geymael and Chamoun should all go and take a look with their fighters at what they have done to the centre of Beirut," said former Premier Saeb Salaam. Mr. Salaam is horrified at the extent of the damage to his country. Mr. Ghassen Tweini, the Minister of Information, is having a television film made of the damage "to make the Lebanese realise what they have done to their country." Mr. Tweini reckons that close on one and a half million Lebanese need help.

Fortunes

Some people have made fortunes from the fighting. Fortunes have been made by some of the fighters, who have liberally availed themselves of the right to loot and extort. Rich Beiruti's were fabulously rich and the houses they fled were full of treasures of one kind or another. The money changers made fortunes. And so did those selling vital commodities such as petrol or food. These people are now flying abroad from the newly opened airport to spend their money in Europe. The pickings can no longer be rich. The fighting has stopped.

The 23,000-strong Arab peacekeeping force has been dubbed the Arab repression force by its opponents among the left and the Palestinians. In the past week it has taken on the role of a very tough police force. "It is a deterrent force, it is no longer a peacekeeping force. It has to be like this, I'm afraid," says Mr. Saeb Salaam.

The Syrians, who in some cases do not even bother to don the green pan-Arab beret, have nevertheless been astute in their conduct. In Beirut, Tripoli and Sidon—the main places where the force was required to show strength—heavy weapons are parked discreetly in vacant lots or hidden in back streets. Patrols are small. To most people it does not seem like an occupying army—which in many ways it effectively is.

Rough and effective justice is being meted out. Someone who complained of a car battery being stolen was whisked immediately to the suspects house. The suspect was dragged out and badly beaten before he had a chance to produce the battery or admit that he had stolen it (which he then did). Searces are being carried out to prevent people carrying weapons. The other day the bodyguard of Danny Chamoun, leader of the "tiger cubs" Christian militia, had his revolver which would have bee able a few weeks ago.

But the anarchy sterism built up over the civil war continue continues—not the c shops because that we —but neon signs, wind glass, doors, electric and so on. Protection still being deman Raymond Edde, who Mr. Elias Sarkis for dency believes "ther some terrible vende survived the seventh his life last week.

The Palestinians ar people subject to th control. Palestinian ringed by what can called a "threatening" heavy armour and There is no such ob straint on the areas Right-wing Phallange its headquarters. T tinians have been isol

In the past few da asked many different questions. "What changed in 18 months And "was the death people and all the d worth it?" The major answers were conf doubting. Few were de Father Mouwanes, De Faculty of Arts at K Maronite Universit claimed that "imperialism" had bee

Respect

The Palestinians a the Syrians now hold in Lebanon for the f future. An in betwee that at least the fightin the end of a corrupt and brought in Preside who has acquired in a respect from all partie essential if he is going out the massive reco and healing process n sary.

What no one really admit except the Maronites is the extent Lebanon has been This is understandal more responsible Leba hope that Lebanon can example of a multi co society. But, to undo th done is going to be painful. Jounieh, the "capital," has acquired special status as a resu fighting. Its bustling st the port outside (with than 20 ships at ancho lifeline to Cyprus) re the arrogance and the of the old Lebanon.

Plan to
Lebanon

ORLD TRADE NEWS

ɔern persists over steel recession

ON

throughout the ɔave been de- a fast rate re- ɔajor industries plummet back sin to the reces- f a year ago.

on Wednesday EC Commission of a policy to tion in Europe astrous market coming months ing world-wide

erican and the ies are closely the new EEC ate steel sales. producers are European mar- more difficult in freely. steel producers, ly accepted the y cannot expect it market oppor- EEC nations as ey would like, lculate whether ely be restricted

At home the British Steel Corporation, accounting for more than 80 per cent. of the national output of crude steel, believes it will be virtually unaffected by any formal EEC establishment of voluntary production quotas on steel deliveries between now and the early months of 1977.

Whereas the practice of European steelmakers is to work towards ambitious sales targets, and those targets are now proving unattainable, the BSC has been gearing production against secure orders.

If, as reported from Brussels, the total sales quota for the British steel industry for the first quarter of next year is to be the equivalent of 5.6m. tons of crude steel, the corporation estimates that it will not need to cut production.

Indeed, the BSC may find itself continuing to struggle with its current problem of keeping up the production of certain types and qualities of steel to match orders.

M. Henri Simonet, the EEC Commissioner responsible for steel, has been working for several months on his plan to combat the steel slump by setting voluntary production quotas for steel deliveries and to manage steel imports into the EEC.

He was strongly supported by the European Coal and Steel Consultative Committee when it met in London in October under the chairmanship of Mr. Joe Gormley the British miners' leader.

M. Simonet has now obtained agreement in principle from the EEC Commission for his plan. In practice, however, there is a considerable amount of elbow room for the major European steelmakers between steel produced and steel delivered. The latter is the measurement upon which M. Simonet intends to base the voluntary restrictions.

The BSC does not foresee any difficulty in keeping within its proposed steel delivered quota. That figure will only take into account steel sold within Britain and other EEC member nations.

The corporation will remain free: (1) To stockpile steel which it is already doing with the help of Government money; and (2) to sell steel to third nations outside the EEC, which it is doing with all the energy it can muster.

Other EEC steel producers may have to give more attention to stockpiling on the BSC lines, and to exporting, if they are to avoid painfully reduced works production programmes under the Simonet plan.

Although the Simonet plan has been openly discussed for many weeks its acceptance this week into EEC policy has given a new urgency to approaching the world steel slump on an international basis, as reports from leading steel nations below indicate.

Voluntary production restrictions by EEC steel-makers represent only part of the Simonet package. He maintains it is equally important to cut down imports of steel into all Europe: and, in particular, Japanese steel.

The Community has made much progress with Japan to limit the sales of Japanese steel into the EEC. However, the Japanese have so far rejected EEC proposals that Japanese steel sales to none-EEC European nations should also be trimmed.

CRUDE STEEL PRODUCTION
'000 TONNES

	Oct. 1976	Sept. 1976	First ten months 1976	1975	% change
EEC of 6	9,665	10,043	93,539	88,613	+ 5.6
U.K. (1)	2,027	1,826	18,700	16,756	+11.6
U.S.	9,324	9,492	99,324	90,018	+10.3
Japan	9,747	9,137	88,508	86,746	+ 2.0
Others	7,712	7,623	74,584	70,684	+ 5.5
Total	38,475	38,121	374,655	352,817	+ 6.2

Source: IISI

... wants deal

binson

OME, Nov. 25.

MEN have reac- the EEC Com- on to set up mport quotas. of Italy's State Finsider, Sig. is also chair- ultative commit- unity Iron and nd as such has front of moves ect the industry ive at a more tion machinery ty.

also argue that ice both produc- be accompanied ustain the price this the entire ıstry, already king, will face ıncial problems. taly was a net l but in 1973 it ns net and this xport some 2.5m. ected 23.5m. ton hout quotas the ed to produce ıs in 1977.

Belgian support for Simonet move

BY DAVID BUCHAN

BRUSSELS, Nov. 25.

IT IS not only the fact that M. Henri Simonet is a Belgian which has won him widespread support from his own country's steel industry.

The heart of the Belgian steel industry in Wollonia, which provides threequarters of the steel production, is depressed and has been even before the present recession.

Based originally on local coal and Lorraine iron ore, the industry—with Cockerill as the largest company with its plants around Charleroi and Liege—now has to import coking coal mostly from Poland and also iron ore now that the local variety is no longer of the quality needed.

It is therefore now badly placed, in addition to its aging equipment. The one exception is the modern Sidmar plant at Ghent, near the coast. It is now wholly owned by Arbed, the Luxembourg steel giant, which exports some 90 to 95 per cent. of production out of the Grand Duchy. Arbed also owns plants in the Saar in Germany and in France. But, though an efficient producer, it is disadvantaged in hard times by only having a miniscule home market to turn to.

Adrian Dicks writes from Bonn: There was no immediate reaction in West German steel circles to the Commission's proposals. A spokesman for the industry's Federation in Dusseldorf declined to make any official comment pending the meeting of the European steelmakers' consultative organisation in Luxembourg to-morrow.

It was pointed out, however, that the consultative group has been in regular consultation with the Brussels Commission, so that the shape of the quota system to be announced by M. Simonnet is unlikely to cause much surprise.

Concessions get cautious welcome

By Guy de Jonquieres

BRUSSELS, Nov. 25.

JAPAN'S reported decision to offer the EEC a limited number of short-term trade concessions has been greeted with cautious relief by officials in Brussels, though some disappointment is being expressed privately that the offer does not go further.

While the Japanese reply is felt to have removed some of the immediate tension from relations with the Community, it is being emphasised here that the Nine expect to see concrete evidence that Japan is prepared to take additional meaningful actions over the coming months before their concern about the imbalance in its trade with Europe is allayed.

Though the text of the reply has still not been communicated officially to the European Commission, Japan has indicated its contents informally, and officials here are already at work on the draft of a declaration to be issued by EEC Heads of Government when they hold their summit meeting in The Hague next week.

According to sources here, the declaration will be firm in tone, but not "confrontational." It is expected to express anxiety at the growing trade deficit and to call for specific efforts to correct it, but will fall short of threatening unilateral restrictive actions by individual members of the Nine should Japan fail to comply.

Singapore MRT

The World Bank is reviewing the final draft of the proposed Mass Transport System (MRT) for Singapore, Minister for National Development and Communications Lim Kim San has told Parliament, AP-DJ reports. The Bank will complete its assessment of the final report shortly, Mr. Lim said. The Minister said that a total of 44.6 km. is envisaged for the full system, of which 17.6 km. will be underground, 27 km. either depressed or elevated.

Japan 'jolted' by mission visit

BY CHARLES SMITH

TOKYO, Nov. 25.

IT WOULD be "unthinkable" for the U.K. to impose restrictions against imports from Japan and Japan accordingly has not thought about how it would react to such a situation, Mr. Toshiwo Doko, the 80-year-old president of the Keidanren (Japanese Federation of Economic Organisations) told the Financial Times in an exclusive interview to-day.

Mr. Doko said U.K. import restrictions would not only disrupt "peaceful relations" between Japan and Britain but would also put "the entire world in disarray." He added that, in the course of talks with Mr. Callaghan and Mr. Healey during the Keidanren's mission to London in October, he received the strong impression that the British Government was still firmly committed to free trade.

Mr. Doko's statement of confidence in Britain came in the course of a wide ranging discussion of Japan-Europe trade problems which included the following points.

The letter addressed by Japan to-day to the EEC Commission will "not solve all the problems" of Japanese-European trade, but Japan will be exceedingly disappointed and surprised if the letter is not taken at least as evidence of its sincerity in tackling the trade problem.

The Keidanren does not believe that relations with Europe can be conducted on the basis of "uninhibited competition." The Japanese business world recognises that unemployment problems in European industry can "assume political significance" and can therefore not be ignored by Japan. However, Japan is not solely to blame for causing unemployment in Europe.

Trade frictions between Japan and Europe are based to an important extent on misunderstandings and lack of information "particularly on the EEC side."

In support of this claim Mr. Doko listed a series of European "misapprehensions" about Japan which he said the Keidanren mission came across during its visit in October.

These include the belief that the Japanese Government and industry "collude" to keep imports out of the country or that similar collusion is practised between industry and the major trading companies.

Japan and Britain have no "major specific outstanding issues" to settle in the trade field, since the letter addressed to the EEC this week by the Japanese Government takes care of motor exports and of the shipbuilding problem (by agreeing to bilateral talks between the European and Japanese industries).

However, a major long-term problem of increasing British exports to Japan does exist. Mr. Doko said that UK exports would need "some competitive edge" if they were to sell better in Japan. He expressed the Keidanren's willingness to do everything in its power to help UK exporters (including taking up non-tariff barrier problems with the Japanese government) "provided British exporters also make an effort."

Mr. Doko's replies on Japan-Europe trade problems revealed a strong feeling that communications have broken down between the two regions and now urgently need to be restored. The Keidanren was taken by surprise during its October visit to Europe by the urgency with which Europeans seemed to view the problem and the extent to which trade relations seemed to have deteriorated since the beginning of 1976.

Mr. Doko did not say so explicitly, but he appeared to feel that the Japanese Government had allowed itself to get out of touch with opinion in Europe.

As to relations between businessmen, Mr. Doko said "one mission a year by the Keidanren is not enough." Regular contacts at staff level between organisations such as the Keidanren and its British opposite number, the CBI, should have been maintained before and were now indispensable.

The establishment of a permanent "working party" on bilateral trade problems by the Keidanren and the French Patronat was referred to by Mr. Doko as a possible model for the Keidanren's relations with other European countries.

Mr. Doko's views on Europe are significantly more liberal than those of some Japanese Government departments including the Ministry of International Trade and Industry where officials are inclined to shrug off the trade imbalance as a matter of Europe "not trying hard enough."

The implication behind his remarks, however, was that the findings of the Keidanren on its European mission had jolted the Government into action it might not otherwise have taken.

Industry to co-operate

TOKYO, Nov. 25.

THE JAPANESE Government has won the support of major Japanese trading companies, shipbuilders and other manufacturers in a sweeping campaign to reduce Japan's huge trade surplus with the EEC.

Transport Minister Hirohide Ishida has ordered 40 major shipbuilding companies to cut back their operations by 28 per cent. in fiscal 1977 ending next March and by 35 per cent. in the next fiscal year.

In a separate action, the Ministry of International Trade and Industry obtained promises of co-operation from all major Japanese trading companies in exercising self-restraint in exports to EEC nations and increasing imports from the area.

Transport Ministry officials said Mr. Ishida took the unprecedented action to cope with the recession in the Japanese shipbuilding industry and complaints by EEC nations over excessive Japanese ship and other exports.

UPI

...come, if belated, says Paris

URRY

PARIS, Nov. 25.

LMAKERS re- h of the Brussels ntervene directly ity steel market f belated, move ection. As long go, the head of lmakers Federa- Ferry, called for its full manifest fix production minimum prices orts.

mmission is still ch measures, the quotas by com- combination of ermany) is seen idence that the s at last sum- nerve to reject esis that market s likely to make ther than better, and that any regulation should be worked out among the companies themselves.

The new measures, together with the formation of the new steelmakers' club, Eurofer, are seen as opening the way to neutralisation of the steel cartel—the group of German, Dutch and Luxembourg industries in a private self-regulatory organisation—which has always been regarded with deep suspicion by the French.

The Germans have argued that the fixing of quotas by company would automatically benefit the inefficient at the expense of the efficient, whose competitive advantage would be deliberately sabotaged. The French have entertained nightmares of their Lorraine steelmaking companies, which are rather elderly, but employ 90,000 people, being driven out of business by competition from the northern manufacturers.

The French are also encouraged by the establishment of indicative minimum prices, which they link with import regulation. It is pointed out that the crucial need to stop prices collapsing at times of crisis can only be done by the setting of minimum prices which will be observed by importers as well as local producers.

By and large, Paris feels that the package augurs well for an agreement on revised powers for the Coal and Steel Community which will embrace the ability to take decisions more quickly based on the triggering of certain important threshholds.

morning

...y disrupts hosiery industry

VAN OS

AMSTERDAM, Nov. 25.

uropean chemical Enka Glanzstoff, ed this week in forced to termi- yarn operations of many hundreds and and Germany, mports from Italy e problems in the hose sector.

which is part of Akzo Chemicals e competitive im- used the erosion st Germany and Holland, Belgium rg—to progress to that "measures y the European ll be too late, both the other hosiery

that the hosiery West Germany and ave attempted to prevailing substan- ity and with com- taly by improving by commission- countries outside

d to a dramatic bs in this industry. out that whereas in West Germany this industry employed over 29,000 people in 1970, the figure for 1975 was less than 11,000—a 64 per cent. decrease.

And in Holland, the number of hosiery producers has declined from six at the end of the '60s to only two to-day. Accordingly, employment dropped from about 3,500 people in 1970 to a present level of slightly more than 1,000. And most of these jobs are now in jeopardy, it was added.

Enka Glanzstoff said that in the period 1970-75, consumption in West Germany and the Benelux dropped by 20 per cent., or 190m. units, the flow of low-priced imports from Italy has risen from 45m. units in 1970 to some 190m. units to-day. These two factors have caused output to decrease by as much as 38 per cent. in the period concerned. Consumption of yarns has dropped even more sharply as a result of reduced product weight, it is added.

The company states further that the current price of Italian imports into West Germany averages DM0.55 per unit—this, it added, compares with a cost level for the Italian producers of about DM0.45 per unit.

This data was taken by Enka from the Capelin Report—prepared by order of the European Commission.

According to the report, the costs incurred by a West German producer total DM0.88 per unit in case of production and fashioning in West Germany.

The company added that studies and publications have shown that the favourable cost level for the Italian producers is due to lower raw materials costs, lower labour costs, lower overheads, lower depreciation and lower financing costs (subsidies and interest-free credits from the Government, Enka states). Additionally, the continuously weakening position of the Lira has a stimulating effect on exports.

The statement from Arnhem adds that as far as the suppliers of yarns to the hosiery industry are concerned, the direct effect is a decrease of sales opportunities with customers attempting to relieve the "stranglehold of Italian competition" by bargaining for lower purchasing prices.

...trade with Egypt may reach £250m.

OREIGN STAFF

year between Egypt is likely to a record level, with s up almost 70 per year.

lthy trade climate eting of the U.K.- commission was s week after four

ommission was set 1975, following the don of Egyptian ster Ismail Fahmi, and economic co- ement was signed. t released by the eferred to a valu- in the offing for ication equipment, s a high priority Trade circles pre- ntract would go to

presided over by Mr. Edmund Dell, Secretary of State for Trade, covered British participation in joint ventures in Egypt in a number of fields including soft drink and food processing, packaging and communications equipment.

Members of the Egyptian delegation, led by Mr. Gamal el Nazer, Under Secretary for Economic Co-operation, also met representatives of British Leyland, which was removed from the Arab boycott of Israel in the spring of this year.

Observers believe that sales of British Leyland vehicles must be the high priority now for BL following the collapse of talks earlier this year on the construction of a factory to build Land-Rovers under licence in Egypt.

Trade with Egypt is heavily weighted in Britain's favour with the figures for the first ten months of 1976 showing exports to Egypt at £143.3m. against imports of £61.9m. This is an astonishing acceleration since 1973 when Egypt imported £27.1m. of British goods and exported £23.7m.

Indonesian power deal

A consortium of Australian consultants headed by the Government's Snowy Mountains Engineering Corporation has won a contract worth $A2.4m. (about £1.7m.) from the Indonesian Ministry of Public Works and Electric Power. They will work on an extensive power, irrigation and flood mitigation programme for the Serang River in central Java being financed by a World Bank loan. Other members of the consortium are Sinclair Knight and Partners, and Agricultural Consultants.

Big improvement in trade gap seen

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A MAJOR improvement in the current account of the balance of payments over the next two years and a sharp fall in the public sector borrowing requirement to £8.2bn. in 1977-78 are forecast by the National Institute of Economic and Social Research this morning.

The Institute's quarterly review also forecasts a rise in real Gross Domestic Product of only 1¾ per cent. next year and hardly at all in 1978, assuming *unchanged policies, with a levelling* off in unemployment at its present level of 1.3m. before a rise to 1.5m. in 1978.

The rate of price inflation is expected to remain at about its present level of roughly 15 per cent. for the time being before starting to move down again next spring, with an average rise of 13.2 per cent. in 1977 and 8.5 per cent. in 1978.

The exchange rate is now expected to stabilise and show a small appreciation during 1977, though that is dependent on the projected improvement in the current account balance to a surplus in 1977.

The latest forecasts differ in several major respects from the last projections by the National Institute, published in early September, and also from what is believed to have been indicated by the latest Treasury forecasts —in particular on the balance of payments and the borrowing requirement.

On the balance of payments, the Institute was projecting a £1.5bn. deficit for 1977 in its last review but is now forecasting a £1.1bn. surplus, rising to £5bn. in 1978—a much more optimistic view than has been taken to date by any other forecaster.

Warning

Indeed, it suggests that there will be a surplus of £159m. by the second quarter of next year, instead of a deficit of £392m. While warning about exact timing, the Review says: "It is *strongly probable that the move* into surplus will come some time next year."

The massive turnround in the forecast results from a change in view about foreign currency import prices. In August, they were projected to rise 10 per cent. above the 1975 level but now are only expected to increase by 1½ per cent.

This is explained by a more sluggish rise in commodity and manufactured prices, both now and next year, reflecting the *weaker world recovery*; by an upward revision of the sterling value of North Sea oil saving and from various technical changes in the exchange rate used.

The terms of trade — the ratio of export prices to import prices — are expected to improve by about 10 per cent. next year, with about half the rise coming from the impact of North Sea oil.

This reduces the value of imports by a much greater percentage than it does the volume at 1970 prices (because of the rise in the price of oil since then), with the rest of the improvement coming from the impact of the levelling-off in the exchange rate and the slow rise in price of non-oil commodities.

At the same time, the volume of exports of goods and services is projected to rise by 6½ per cent. next year, and 4½ per cent. in 1978, compared with rises of 8 and 6 to 7 per cent. respectively in world trade.

Projections

Thus, the assumption is that Britain will not show much improvement on the typical past performance of exports, which have tended to rise about two-thirds as rapidly as world trade.

Imports are, however, expected to grow only very slowly—by 2.3 per cent. next year and 3.3 per cent. in 1978—because of the impact of North Sea oil, the slow growth in the economy as a whole and import substitutions after the depreciation.

Both the export and import volume projections for next year are less favourable than the August forecast. Thus it is the revision in the terms of trade projection which explains all of the change in the current account forecast.

On the borrowing requirement the Review projects an outcome of £10.4bn. for the current financial year (in line with other recent non-Government forecasts), £8.2bn. in 1977-78 and about £6bn., on unchanged policies, in 1978-79.

In August, the Institute was projecting a public sector borrowing requirement of £9.5bn. in 1977-78. The change is explained by the impact of the higher levels of prices and earnings now assumed on revenue, while cash limits are expected to contain public spending.

The Institute argues that "the market's worst fears, with respect both to sterling and interest rates, have now been realised, and improvement from now on, if slow, is likely."

Target

It suggests that the authorities should be able to sell the required amount of gilt-edged stock outside the banking system to reach their money supply target, provided Consol rates remain around present levels.

For later years, the Review suggests the monetary target for M3 will be reduced slowly from the present 12 per cent. in 1976-1977 slowly towards 10 per cent. in 1978-79.

In 1977-78, gilt edged sales to non-banks will have to be £3¾bn., after £¾bn. of net borrowing from overseas.

It forecasts that Consol rates should only fall slowly to perhaps 15 per cent. by the end of 1977 and 13 per cent. by the end of 1978. Short-term rates could come down faster to around 10 per cent. by then.

These forecasts are against the background of the assumption that the exchange rate should begin to appreciate in the second half of 1977 to $1.68 in the fourth quarter as inflation comes down and the current account moves into surplus.

By the end of 1978, the exchange rate is forecast at about $1.80.

Main changes

In the August forecast, the Institute projected a drop to $1.68 by the first quarter of 1977, and a levelling-off at $1.65 in the second half of the year.

The sharp drop in sterling since the last Review and the much slower growth in output are the main changes in the economic background since August.

The present Review assumes that the British application to the IMF is usccessful and that there will be some standby loan against large withdrawals from the sterling balances.

Within the new forecast, gross domestic product is now expected to grow more slowly than projected in August because of the fall in the exchange rate since then and the rise in interest rates.

Consequently, consumer spending is expected to fall slightly next year, after its hesitant recovery in 1976 with real disposable income dropping by 1.9 per cent., after a fall of 1.2 per cent. this year.

The level of private housebuilding is projected to fall before some slight growth in 1978.

Investment

Manufacturing investment is expected to grow by about 10 per cent. next year, largely because the authorisations reflected in the intentions surveys can probably only be spread out rather than cut and even spreading out is often costly. Investment should remain flat in 1978.

Stockbuilding is expected *to be* positive in both 1977 and 1978, largely because of the heavy rundown of stocks in 1975.

Employment is expected to fall again in mid-1977, having recovered from the middle of this year. But the implications for unemployment would be considerably worse if productivity were to grow at or even near its trend rate of 3 per cent.

But a poorer than usual productivity improvement is envisaged *because of pressures* on employers from unions and recent redundancy legislation.

Unemployment is accordingly expected to start rising again in late 1977. The official forecasts may, however, be gloomier than this.

On earnings, the Institute is sticking to its August forecast *of a rise of 9 per cent.* in the year until the end of July, the second stage of the pay policy, *and thereafter it is assuming a* rise of 12 per cent. a year.

The Review highlights the pressures for consolidation of the original £6 and to restore differentials which in total could push the earnings rise up to 25 per cent., though the Government will clearly be trying to obtain the lowest possible figure.

Retail prices are expected to be principally affected by the projected stabilisation, and then appreciation, in the exchange *rate. This is expected* to pull down the rate of inflation to around 8 per cent. in 1978.

Profit margins are expected to be rebuilt until the end of 1977 but then come under susbtantial pressure.

The forecast of an appreciating exchange rate also means that by the end of 1978, export price competitiveness in foreign markets will also have returned virtually to its 1970 level.

Summary of Forecast on unchanged policies (August figure in brackets)

	Real GDP (per cent. change, Year/Year)	Real personal disposable income (per cent. change Year/Year)	Unemp'oyment(a) (fourth quarter, million)	Money supply (M3, per cent. change, end-year)	Consumer prices (per cent. change, Year/Year)	Current account balance (Year, £ billion)	Exchange rate (fourth quarter, $ per £)	Terms of trade goods 1970 =100	Public sector borrowing requirement (fiscal year, £ billion)
1976	1.0 (3.3)	−1.2 (−1.1)	1.3 (1.3)	11.8 (10.0)	15.5 (15.9)	−1.7 (−1.9)	1.65 —	86.7 (84.6)	10.4 (11.7)
1977	1.7 (3.6)	−1.9 (−0.9)	1.3 (1.2)	11.0 (10.9)	13.2 (12.7)	1.1 (−1.5)	1.68 (1.65)	92.8 (81.8)	8.2 (9.5)
1978	0.2 —	1.4 —	1.5 —	10.1 —	8.5 —	5.0 —	1.80 —	101.6 —	6.0 —

Inflation forecasts 'underestimated'

BY PETER RIDDELL

THE NATIONAL Institute has tended to underestimate the future rate of inflation in its forecasts in recent years, according to an article in the new issue of its quarterly Review.

The article examines the accuracy of the National Institute's forecasts of incomes, inflation and employment from 1965 to 1975.

The author, Mr. A. J. H. Dean, of the Institute's staff, points out that the accuracy of the forecasts has generally increased in relative terms, although it has deteriorated in absolute terms, partly, perhaps, because of higher inflation.

The performance in 1974 was particularly poor but there has been a distinct improvement in 1975 and 1976 for forecasts of personal incomes, inflation and employment.

The weakest performance was in 1974 when the forecasts for real personal disposable income seriously underestimated the outturn and contributed to over-pessimistic forecasts of consumers' expenditure and Gross Domestic Product.

The article also points out that there has generally been an improvement in accuracy of the forecasts between the February and May issues of the Review partly because the budget changes are known by the latter date.

On unemployment, the rise since the beginning of 1974 has been underpredicted while the fall in employment has been overestimated.

(NET ACQUISITION OF FINANCIAL ASSETS)

	1975	1976	1977 Forecast	1978 £ billion
Public	−8.3	−9.5	−7.4	−4.5
Company	−0.4	+1.1	+2.2	+1.9
Personal	+6.3	+6.1	+5.7	+7.0
Overseas	+1.7	+1.7	−1.1	−5.0
Residual error	+0.9	+0.6	+0.6	+0.6

Source: Financial Statistics, National Institute estimates

Investment upswing may be on way in OECD countries

BY PETER RIDDELL

THE NATIONAL Institute has only slightly lowered its forecasts for the growth in the Organisation for Economic Co-operation and Development countries' Gross Domestic Product next year since its last review in August.

It still remains moderately optimistic, believing an upswing in investment is on the way.

OECD aggregate GDP is expected to rise by 5¼ per cent. this year and by 4½-5 per cent. in 1977. However, in a preliminary assessment of 1978, the Institute suggests there will be a quite marked slowing-down concentrated mainly in the U.S., but that growth is likely, even so, to be about 3-4 per cent.

In its appraisal, the Institute argues that it is "incumbent" on the industrial countries which have been running large surpluses—Germany and Japan—to take steps to reduce them.

If they fail to do this, the world recovery is likely to be aborted, and more and more countries may then resort to import controls in an attempt to protect employment.

The rate of increase in consumer prices is expected to continue to moderate with a rise for the whole OECD area of 8½-9 per cent. this year and 8-8½ per cent. in 1977—reflecting in part the recent levelling-out in commodity prices.

Favourable

This has more favourable implications for OECD countries' balance of payments, even assuming an 8 per cent. rise in the oil price in dollar terms.

The total OECD current account deficit is forecast at 14bn. new Special Drawing Rights this year and 13bn. in 1977.

Meanwhile, the surplus of the oil-exporting countries is projected to rise from 33bn. to 36bn. SDRs with the deficit of other developing countries rising from 13bn. to 16bn. SDRs next year.

THE FORECAST WITH ALTERNATIVE ASSUMPTIONS(a)

		Higher productivity growth(b)	Exchange rate held constant	Public expenditure cut by £2bn. (current prices) in fiscal 1977/78	Indirect taxes raised by £2bn. in 1977/87	Main forecast
GDP (per cent. change)	1977 Yr./Yr.	1.6	1.9	0.8	1.4	1.7
	IV/IV	1.1	1.6	−0.4	0.4	1.1
	1977 Yr./Yr,	0.5	1.3	−0.3	−0.5	0.2
	IV/IV	0.4	1.3	0.2	−0.1	—
Unemployment (million)	1977 IV	1.5	1.3	1.4	1.3	1.3
	1978 IV	1.8	1.4	1.7	1.6	1.5
Consumer prices (per cent. change, Yr./Yr.)	1977	12.6	13.3	13.2	14.1	13.2
	1978	6.4	9.2	7.9	9.0	8.5
Current account balance (£bn.)	1977	1.4	1.0	1.4	1.1	1.1
	1978	5.2	5.0	6.0	5.5	5.0
Exchange rate ($ per £)	1977 IV	1.72	1.63	1.68	1.67	1.68
	1978 IV	1.92	1.63	1.84	1.80	1.80
Public sector borrowing requirement (£bn.)	1977/8	9.0	8.2	7.0	6.4	8.2
	1978/9	7.4	5.6	5.2	4.4	6.0

(a) Earnings and money supply are assumed to be unchanged from the main forecast.
(b) Productivity for the whole economy is assumed to grow 2.1 per cent. in 1977, 3.0 per cent. in 1978, as against -0. and 1.3 per cent. in the main forecast
(c) The exchange rate is assumed to be held at 59.8 (IMF effective rate; about $1.63 per £) from the first quarter of 1977.
(d) Cuts pro rata in current grants, public authorities' current expenditure on goods and services, and public investment. These are assumed to start in 1977 II and are carried through to 1978/9, when their value at current prices is £2.2 billion.
(e) Indirect tax rates are assumed to be raised from 1977 II, and then held constant through the forecast period. In 1978/9, the value of the change at current prices is £2.2 billion.

Alternative assumptions outlined

ALL THE main forecasts are based on the assumption of unchanged policies, but in several places in the Review it is pointed out that this is a most unrealistic basis for projecting 1978 given the forecast both of a rise in unemployment and a £5bn. current account surplus.

Moreover, against the background of the current IMF talks the forecast has been carried out with various alternative assumptions. For example, a cut of £2bn. in public spending in 1977-78 has been assumed.

This would reduce the public sector borrowing requirement by about £1.2bn. below the main forecast because of the impact on the level of economic activity, though unemployment is only forecast to rise by 100,000 by the end of 1977 and by 200,000 by the end of 1978.

The current account surplus is, however, increased, the exchange rate appreciates and the projected rise in consumer prices is lower in 1978 as a result, compared with the main forecast.

The Institute has also fed into its computer model of the economy the assumption of a rise in indirect taxes of £2bn. in 1977-78.

This feeds directly into the consumer price index but the impact on growth in GDP is smaller than in the case of public spending cuts.

The level of GDP is 0.9 per cent. lower by the end of 1978 than in the main forecast, against 1.3 per cent. lower than in the case of public spending cuts.

The exchange rate is essentially unaffected by higher indirect taxes and there is also a smaller increase in the current account surplus in 1978.

More of the direct impact of higher tax rates comes through in cuts in the public sector borrowing requirement—£1.8bn. out of a £2bn. rise in taxes in 1977-78.

In both examples, the results take no account of any immediate confidence effects on the exchange rate, any effects on earnings (whether through a breach of the social contract or because of higher unemployment) and any confidence and financial effects on private sector spending.

The *productivity growth* is higher than in the main forecast, unemployment will, of course, be greater and the PSBR will not fall as much as otherwise projected.

But the improvement in the current account surplus should be greater and the exchange rate should also be higher. Productivity has, in fact, been rising quite sharply this year.

Europe energy link-up urged

By Ray Dafter, Energy Correspondent

EUROPEAN countries are urged to co-operate more in energy research and development, in a chapter on energy prospects.

It is claimed that the requirements for securing sufficient long-term energy supplies exceed the human, physical and financial resources of even the largest countries.

The author, Mr. G. F. Ray, of the National Institute, argues that international co-operation on the development of such infinite resources as solar, wind and wave energy, is needed more urgently than proposed.

"Because the lead time fo[r] new forms of energy is so long it is unrealistic to expect tha[t] *any new form of energy can b[e]* successfully introduced by th[e] end of this century, unless th[e] basis for it is found very soo[n] and preliminary research a[nd] development work is undertak[en] now.

"Action is needed, mo[re] urgently than hitherto, if t[he] future energy basis of manki[nd] is to be secured." For the ti[me] being, the long-term energy o[ut]look remained blurred.

The report indicates that Eu[ro]pean energy consumption in [the] five years to 1980 will ret[urn] to the levels before the 197[3] crisis. By 1985, the growth [...] should have been modera[ted] partly by the more efficient [use] of energy planned from 198[...]

Gradual

Some of the saving sho[uld] come from the gradual sw[itch] to more efficient forms [of] energy, such as natural gas [and] base-load nuclear power, [and] from new and more effic[ient] equipment.

Recent comparisons of ene[rgy] flows have shown that in the [...] 47.5 per cent. of primary ene[rgy] is efficiently used, whereas [in] Europe the figure is nearer [...] per cent.

During the next decade, E[uro]pean dependence on impo[rted] oil is expected to decline [in] relative terms.

The three main pillars of [the] projection are increased us[e of] natural gas—from the [...] Norway, Ireland, and exte[rnal] sources like Algeria and Ru[ssia] — substantial production [of] North Sea oil, and the crea[tion] of a large capacity of nuc[lear] generation.

"Although each of t[...] seems a sturdy enough pilla[r at] present, a few uncertai[nties] cannot be entirely discount[ed]," the report continues. Th[ere] might be problems of nat[ural] gas availability, for instance.

Technical troubles might a[ffect] North Sea oil production [...] though recent experience [has] shown that output might [be] higher than at present fores[een].

Exploration

There is a possibility [that] North Sea production co[uld] become unprofitable if OI[L] prices collapse; this situa[tion] would hit further explora[tion] work.

But studies at Surrey Uni[ver]sity have shown that eve[n a] sharp decline in world pr[ices] would leave existing fields in [the] British sector sufficiently pr[ofit]able for supplies to be assu[red] up to the mid-1980s.

However, a sharp price [...] seems unlikely, says Mr. Ray.

Finally, the report states [that] energy supplies could [be] hampered by a fall-back in [the] nuclear programme which [is] already surrounded by tec[hno]logical and environmental [un]certainties.

هكذا من الأصل

Benn asks Yamani for price restraint

By Ray Dafter, Energy Correspondent

A PLEA for pricing restraint was made to Sheikh Yamani. Saudi Arabia's Oil Minister, by Mr. Anthony Wedgwood Benn. Energy Secretary, yesterday.

Mr. Benn re-emphasised the Government's concern that if OPEC opted for a substantial price increase from January 1, the economies of Britain and other industrialised countries could be knocked off-course.

OECD countries are relying on Saudi Arabia to press the case for pricing restraint at the next meeting of OPEC on December 20.

The two oil Ministers met for 90 minutes at the Scottish Office in Edinburgh. Apart from the state of world economies, the topics of discussion included the build-up of oil production from Britain's North Sea reserves.

Apparently, Mr. Benn laid particular emphasis on the progress the Government was making with offshore operators in a bid to have a State presence in all the U.K. oil fields. The industry's response to the latest round of exploration licences was also discussed.

During the meeting, described as "good and friendly," Sheikh Yamani renewed his invitation for Mr. Benn to visit Saudi Arabia in the New Year when the Energy Secretary will also be president of the EEC Energy Council.

Mr. Benn had arranged to meet Sheikh Yamani on his way to the Shetland Islands. This part of the trip was postponed because of pressure of work.

Dr. Dickson Mabon, Minister of State, Energy—who also attended the Scottish Office meeting—deputised on the visit to the Sullom Voe oil terminal.

The fact that Mr. Benn flew to Scotland specially for the meeting with Sheikh Yamani indicates the importance the Government attaches to its plea for OPEC price moderation.

North Sea resources are wasted, claim oil experts

BY RAY DAFTER, ENERGY CORRESPONDENT

THE OIL industry commentators claim to-day that thousands of jobs and millions of pounds in revenue are being lost because of the way North Sea oil fields are being exploited.

In a study of offshore operators, Prof. Peter Odell and Dr. Kenneth Rosing, both of the Economic Geography unit at Erasmus University, Rotterdam, conclude that there is an appreciable gap between estimates of technically recoverable reserves and the estimates of reserves economically recoverable in the light of price, cost and tax considerations. There was a tendency for companies to "cream" the fields in order to achieve maximum profitability.

Extrapolating the conclusions from the study of three fields, the authors claim that the "loss" in 1980 to the British economy from less-than-maximum production could be in the order of $3.5bn. in foreign exchange and £1.8bn. in Government revenues.

The direct number of jobs "lost" as a result of current development practice was more than 12,000. Job security in the existing offshore supply industry had also been hit.

Professor Odell and Dr. Rosing are well known in the oil industry for their criticisms of offshore development practices and conservative forecasting. But in their latest report they also attack the U.K. Government.

"Yesterday's and to-day's decision-takers seem likely to have a great deal of explaining to do when the shortcomings in their decisions on the development of major North Sea oil fields on both economic and conservationist grounds are eventually revealed for what they were and continue to be."

These shortcomings boiled down to the "Governmental acceptance of what should have been the unacceptable fact of the creaming of the North Sea's oil fields, for no better reason than that of the general failure to recognise the optimisation of the short-term commercial interests of the companies concerned in developing the fields are not identical with the broader national interest."

Thoretically, the creation of the British National Oil Corporation should help to further Government objectives, the authors argue. "However, the way in which BNOC has been constituted, in terms of the behaviour it must observe when working jointly with private enterprise in developing a field, is such that its objectives must become identical with those of its private oil company partners."

The study is based on an analysis of BP's Forties Field, Amoco's Montrose Field and Occidental's Piper Field. It is claimed that the companies' optimum quantity of economically recoverable oil from the three fields is 2.76bn. barrels. The authors feel that in the country's interest the optimum should and could be 3.5bn. barrels.

Optimal Development of the North Sea's Oil Fields, by Peter Odell and Kenneth Rosing: Kogan Page, 116A, Pentonville Road, London N1 9JN, £30.

Newport County's aid plea rejected

By Michael Thompson-Noel

THE FOOTBALL club Newport County, said yesterday that it could not continue after December 11 unless it was taken over.

Earlier this week the Fourth Division club's appeal for help to Newport Corporation was rejected, and yesterday representatives of the Newport Board were told by the bank that the club's overdraft of £60,000 could not be extended, in spite of offers from the directors of additional guarantees. Newport's debts total £110,000.

Mr. Keith Saunders, the club secretary, said last night: "There have been rumours that a consortium of local businessmen was putting together an offer, but they had better come forward, before it is too late."

Although Newport's cash flow problem is modest by first division standards, it is still insidious. The club's weekly wages bill and match expenses are about £1,400, whereas average net receipts are as little as £800 a match. "That still leaves us with all the running costs," Mr. Saunders said.

County are fourth from bottom of the four division and have won only one of its six home league games this season. On the other hand, they won their FA Cup first-round replay against Bournemouth on Tuesday, and picked up £2,500. "I suppose a run in the Cup could save the situation for a while," Mr. Saunders said, "but the situation remains serious."

A statement by the Newport Board yesterday said that a take-over of the club must include assumption of all liabilities, plus the present directors' personal guarantees and commitments.

The 92-member clubs of the Football League are now shouldering total debts thought to exceed £12m. Some such as Portsmouth, are in a serious situation, although it is 14 years since Accrington Stanley went out of business.

Voluntary pact may clear way for tobacco substitute

By STUART ALEXANDER

AN INTERIM voluntary agreement on the introduction of substitutes and additives in cigarettes will be thrashed out between the tobacco industry and the Government in the near future. This will allow U.K. marketing of cigarettes containing New Smoking Material or Cytrel ahead of the introduction of amending legislation to the Medicines Act, promised by the Prime Minister in the Commons after the Queen's Speech.

The Hunter Committee, set up by the Government to monitor testing of the substitutes, has received the findings of the companies involved, notably ICI's and Imperial's joint development of New Smoking Material in Scotland and the Celanese Corporation's Cytrel in America.

The green light for these and other additives has already been delayed but it is hoped that a go-ahead may be given by February or March and it is thought that the manufacturers may be able to begin production and promotion soon after that.

However, there is a suggestion that Customs and Excise, which administers the levying of taxation on cigarettes, may wish to see the introduction of substitutes delayed until January 1, 1978, when Britain is due to harmonise its taxation system with the EEC. The new sysem will mean a greater emphasis on the end-product value including packaging and coupons rather than the traditional method of taxing cigarettes in the U.K., which was on the weight of tobacco used.

Manufacturers like Imperial, which has a half share in the £10m. plant in Scotland, and Gallaher, which has a five-year contract running with Celanese from 1974, are anxious to end the delay to the introduction of substitutes.

There has been a growing demand for low-tar cigarettes. Under the latest moves the manufacturers will be able to receive an interim go-ahead from the Department of Health and Social Security — which will be firmly in charge of smoking materials — as long as they give an undertaking to apply for a licence to use substitutes in due course and as long as those substitutes meet the projected legislative guidelines.

If the industry had to wait for amending legislation to the Medicines Act, it could be almost two years from now — Mr. Callaghan does not intend to provide any Parliamentary time this session —before the introduction of substitutes. This would affect not only marketing prospects in the U.K. but in many other countries which are looking to Britain for a lead.

The new material is already available in German and Swiss brands of cigarette with markedly different rates of success. In Germany sales have been disappointing in a market which has been persuaded for years to accept lower nicotine levels. But in Switzerland, despite a slow start, a Laurens Rothmans product, Peer Special with 20 per cent. Cytrel, is claiming 1 per cent. of a market which supports 250 brands.

Market share

That the Swiss market is more health conscious than almost any other has been a major factor. But there are also signs that the U.K. market may be following the U.S. in a switch to low tar yield cigarettes and it is this market that the substitutes will be aimed at.

Latest readings from the U.K. give the low tar brands 1[illegible] per cent. of the market in the third quarter of this year with predictions of a 20 per cent. market share by next spring.

In the U.K. the growth of low tar cigarettes has been temporarily halted by the price war in the king size sector. But within that the sales of Benson and Hedges Silk Cut King Size have doubled following their cut in price and the removal of coupons. And the low tar brands account for 6.8 per cent. of the market compared with 3.9 per cent. three years ago.

BBC world programme sales boom

By Arthur Sandles

BBC COMMERCIAL activities other than publishing produced more than £4m. gross in the half year to September 30 as world sales of programmes such as the Six Wives of Henry VIII and the Onedin Line continued to boom.

BBC Enterprises is the Corporation marketing arm handling such activities as records, merchandising, exhibitions and production facilities as well as programme sales abroad. Enterprises has sales teams in London, Sydney, and Toronto, as well as agency deals in other territories.

Overall sales for the half year are up by 21 per cent., and sales in the U.S. and Latin America are up by 15 per cent. To improve on these figures, the Corporation is planning a one-week intensive sales effort next February.

Then, the world's top 100 television programme buyers will be invited to Britain for the screening of all the Corporation's sales offerings, including The Duchess of Duke Street and I Claudius.

At the moment, this type of show is proving the most successful in sales terms, along with series such as The Brothers.

It was meet-the-people day for Mrs. Margaret Thatcher when she visited Cambridge yesterday in support of the Conservative candidate in next Thursday's by-election. But one person she did not meet was Mr. Edward Heath, her predecessor as leader of the Conservative Party. He was to address a meeting there later in the evening.

Tories select candidate for Dorking

Financial Times Reporter

MR. KEITH WICKENDEN, chairman of European Ferries, has been adopted as Conservative candidate for Dorking, where he will defend a majority of more than 10,000 at the next general election.

It was Mr. Wickenden's third attempt to seek adoption after failures at Huntingdon and Cambridge. He said yesterday that if he became an MP, it was unlikely to affect his position at European Ferries.

Adoption at Dorking comes les than a month after European Ferries' notable political success in preventing the State-owned British Transport Docks Board takeover of Felixstowe Docks. The port was acquired by the company in April and a private Bill transferring ownership to the Docks Board was defeated in the House of Lords last month.

Among those short-listed at Dorking were Mr. Jock Bruce-Gardyne, a former junior minister, and Mr. Peter Brook, son of the former Conservative Home Secretary, Mr. Henry Brook. The sitting Member, Sir George Sinclair, is to retire at the end of this Parliament.

National Bus Western region director to be chief executive

BY IAN HARGREAVES, INDUSTRIAL STAFF

MR. ROBERT BROOK, director of the National Bus Company's Western region, is to take over as the company's chief executive on January 1. At the same time, the State-owned group's management structure is being revised and the new post of deputy chief executive created.

Mr. Brook replaces Mr. Jim Skyrme, who retires at the end of this year after four years in the top post. His deputy is to be Mr. Frank Pointon, director of NBC's southern region.

Mr. Brook's appointment, coming shortly after the confirmation that Mr. Freddie Wood has accepted an extension of his contract as chairman, means that NBC can look forward to a further period of stability at top management level.

The company was not prepared to disclose the salaries of the new appointments, although Mr. Brook's will certainly not be less than the £14,375 earned by his predecessor. This is well in excess of the £9,115 earned by Mr. Wood last year for his part-time appointment.

Mr. Brook, 47, joined the bus industry 26 years ago as accounts clerk with West Yorkshire Road Car. He subsequently worked for Tilling Association, Western National, Cumberland Motor Services, and Thames Valley.

In 1968, he became general manager of North Western Road Car, Stockport, and in 1972 head of the Midlands division, before taking up his present position which is based in Droitwich.

Mr. Pointon has spent 30 years in the bus industry, much of in the Midlands.

Electricity demand up only 2%

By Roy Hodson

DEMAND for electricity is expected to rise by only 1·2 per cent. in 12 months ending next April, Sir Arthur Hawkins, chairman of the Central Electricity Generating Board, said yesterday.

Demand for electricity fell 3.3 per cent. in 1975/76 as a result of industrial recession, a mild winter and higher prices.

Price is having a more marked effect on electricity consumers than ever before, according to the Board.

Nearly all the increase in demand for 1976-77 is expected to come from the industrial sectors. Domestic consumers of electricity are economising to such as extent that no growth in domestic consumption is expected by the Board this financial year.

Energy consumption in Britain in the third quarter was 3 per cent. higher than the same period a year ago, according to the Department of Energy's Energy Trends figures published last night.

Mining

While the power stations were using slightly more coal than a year ago in the third quarter output from the coal mines continued to fall and was 8 per cent. below the same period in 1975. The Government, the mining unions, and the National Coal Board, have convened a tripartite committee to study the reasons for falling productivity in mining. This has been a consistent trend this year.

Coal Board plans for the expansion of opencast mining are progressing well, however. Opencast output between August and October was 500,000 tons more than in the same period last year representing an increase of nearly 20 per cent.

The lower value of the pound is reflected in Department of Energy figures for the cost of crude oil imports. In the first nine months of 1976 these cost almost 35 per cent. more than in the same period last year. That was in spite of a drop of about 2.6 per cent. in the volume of crude oil imported.

New footwear orders up 2%

By James McDonald

NET NEW orders to the depressed British footwear industry in June, July and August were 2 per cent. higher than in the previous three months. But at the end of August the total order book was 17 per cent. lower than at end-May, to-day's Trade and Industry says.

During the same three months, deliveries from the industry were 1 per cent. higher.

The index of output (1970=100) was 5 per cent. higher than in the previous quarter. It is pointed out, however, that this index is based on the value of total sales and work done by companies classified to the footwear industry.

Seasonally adjusted, deliveries of pairs in September are estimated at 14.5m (against 12.5m in August and 14.1m in September 1975.

British Airways' best half-year

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS earned a net profit of £25.3m. in the six months to September 30, compared with a loss of £1.9m. in the comparable period last year and a loss of £16.3m. in the whole of its 1975-76 financial year.

Announcing this result yesterday, its best-ever half-yearly figure, British Airways said it was based on an operating profit of £76.6m. for the six months.

The net profit was reached after deducting the cost of borrowing for re-equipment and other needs, and allowing for taxation, interest, currency losses and minority interests.

The airline said hat the fall in the value of sterling over recent months has improved revenues from £467m. to £636m., with passenger traffic rising by 9 per cent., mostly foreign visitors coming to this country.

This more than offset the increased costs in sterling of fuel and of foreign currency expenditure overseas.

The airline said that currency losses in respect of non-sterling borrowings "have been charged in accordance with the accounting policy of spreading losses arising on revaluation evenly over the periods to the redemption of the loans."

Losses on repayments and increased liabilities, at the September 30 revaluation made by the airline, amounted to £17m., based on the exchange rate then prevailing of $1.65 to the pound.

British Airways makes no forecast for the full 1976-77 financial year. While it is not unusual for airlines to make summer profits, it is the winter period that frequently substantially reduces these.

So far this winter, however, British Airways' loads have remained high, again largely because of the heavy inflow of foreign visitors taking advantage of the depreciation of sterling.

Under the new chairman, Sir Frank McFadzean, it is British Airways' intention to issue regular interim financial statements, certainly half-yearly and possibly also eventually quarterly.

Airports chief to head CAA

By Michael Donne, Aerospace Correspondent

THE DEPARTMENT of Trade confirmed last night that Mr. Nigel Foulkes, part-time chairman of the British Airports Authority, is to become part-time chairman of the Civil Aviation Authority when Lord Boyd-Carpenter retires on March 31.

This change, revealed in yesterday's Financial Times, also means that Mr. Norman Payne, at present chief executive of the Airports Authority, will move up to become chairman of that body.

The Department also said that Mr. Robin Goodison, at present deputy chairman of the Civil Aviation Authority, will remain in that post for a further nine months from January 1 to September 30, 1977.

Bank urged to modify controls

BY MICHAEL BLANDEN

THE CITY'S export finance houses are hoping that the Bank of England will modify the new exchange control restrictions announced last week to help them over the problem expected to arise as a result.

Following its meeting with the Bank on Wednesday, the British Export Houses Association yesterday argued that they needed more time to make the alternative arrangements required.

Among the big banks involved in international business, however, the view was that there should be no problem in principle in replacing the sterling finance at present involved in third country trade with foreign currency facilities.

The new rules are designed to eliminate the present widespread use of sterling in financing trade between third countries outside the U.K., following recent concern that this was an extra source of instability in the exchange rate which the U.K. could no longer afford to carry.

The export houses, which provide short-term finance for this type of trade on a considerable scale, are concerned both over the general problem of rearranging their methods of operation to make use of foreign currency borrowing rather htan sterling, and over the immediate impact of the measures.

They argue that although the new rules give an apparent month's grace, they are unable to take on new business at present until they can be sure the alternative sources of finance will be available.

'Skytrain' appeal nears end

THE APPEAL over Laker Airways' cut-price "Skytrain" service between London and America reached its closing stages in the Court of Appeal yesterday.

The Government is challenging Mr. Justice Mocatta's ruling in July in favour of Mr. Laker. The judge held that Mr. Peter Shore, the former Trade Secretary, acted outside his powers when he set about changing civil air transport policy—which included the axing of "Skytrain"—in a White Paper last February.

Mr. Andrew Bateson QC, for the company and Mr. Freddie Laker, completed his submissions.

He said the evidence before the Court disclosed that the U.S. authorities were no bar to "Skytrain." It was an important point in the appeal that no international difficulty arose over introduction of "Skytrain."

The purpose of the Civil Aviation Act was to secure that British airlines provided a service which satisfied all public demand to a high standard of safety and to give opportunities for a satisfactory financial return to an airline, other than one run by British Airways.

The purpose of the White Paper guidelines issued by Mr. Shore to the Civil Aviation Authority were to secure that British Airways alone provided the service from London to New York, even though it did not satisfy all public demands.

Alternatively, the guidelines were to secure that an airline, other than one run by British Airways, did not have the opportunity of providing a similar service, thus creating a monopoly for British Airways.

Mr. Sam Silkin, QC, the Attorney-General, was completing his submissions in reply when the hearing was adjourned until to-day. Judgment is expected to be reserved.

State intervention 'no answer to economic problems'

BY MICHAEL BLANDEN

ECONOMIC SUCCESS cannot be delivered by governments of either the Left or the Right through increasing intervention in the nation's industrial life, Professor R. J. Ball said in Manchester last night.

"The main thrust of government actions and policies should be in the direction of creating an economic and social framework within which the creative abilities of our citizens can be released," he declared.

Professor Ball, Principal of the London Graduate School of Business Studies, was delivering the annual Institute of Bankers Ernest Sykes Memorial Lecture.

He said that "the chief importance of the recent incomes policies has not been in directly reducing the rate of inflation, but in partially restoring the tattered finances of the company sector and preventing a yet higher increase in unemployment than would result from the effective bankruptcy of British industry."

The result of this government approach had been to transform the mixed economy into "the mixed-up economy, which from many points of view has been giving us possibly the worst of all possible worlds."

Discussing the theme "Who can make Britain grow?" Professor Ball suggested that "the major problem to be solved is how to share responsibility between the State and its private citizens in such a way as to maximise the possibility of economic change and development for the benefit of all at a time when government's share of that responsibility is already too heavy and when there is a strong tendency to view any progress at redressing the balance in terms of a growth in the corporate state."

Essential elements

In the present circumstances changes needed to be made to the traditional Keynesian analysis of economic developments as a result of the floating of the pound.

In this situation the behaviour of the money supply and the Government deficit became essential elements in the inflationary process.

Moreover, reductions in the sector deficit would not necessarily have such disastrous longer-run effects on the level of employment as the traditional Keynesian analysis would predict.

The secondary effects on the growth of the private sector from cuts in Government spending could reduce the growth of the money supply, stabilise or even drive up the exchange rate and reduce the rate of inflation and the level of interest rates.

He said that Government planning or control of new investment to ensure that it was made in the right place at the right time and in the right products would not bring better results.

"I suggest that those who believe that that is a function that can be efficiently carried out by central government are deluding themselves.

"We need a flexible economic system that will respond to market needs, both domestically and internationally, and whose future depends on the capacity to create new markets, new products and new technology."

Call for freer bargaining

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE NEXT stage of the pay policy must give industry the chance to negotiate meaningful productivity deals with the trade unions, Mr. Stanley Race, president of the Glass Manufacturers Federation said in London yesterday.

The glass container industry had invested heavily in its future — £70m over the past five years in plant, equipment and research and development.

"Now we must not be denied the opportunity to make that investment work through increased productivity, and with commensurate rewards for our employees."

Mr. Race believed that freer collective bargaining could take place without resulting in inflationary wage increases.

He expressed the hope that if consolidation of supplementary payments was considered, the cost to continuous process and labour-intensive industries would not be overlooked.

"We in the glass industry have established very effective relationships with trade union representatives on the question of productivity. I believe we are now at the stage to carry these further, given the opportunity.

"The glass container industry is optimistic about its future and that its long-term competitiveness can be improved still further through increased productivity."

Price differentials seemed to be moving even more in favour of glass, compared with other packaging materials. This was reflected in the industry's investment programme.

The industry "is building its optimistic strength for the next testing five to 10-year period, by which time we expect the price differentials and availability of glass to show even clearer advantages over other packaging materials."

Fewer new office permits issued

BY JAMES McDONALD

THE NUMBER of office development permits issued in the south east declined sharply in the three months to the end of September compared with a year before. But according to figures published to-day in the official magazine, Trade and Industry, the floor space covered was slightly up on July-September, 1975.

There were 61 permits issued for the period covering 3.5m square feet, compared with 87 permits, involving 3.4m square feet in the same period of last year.

There were, 21 for office development in Central London covering 1.9m square feet, against only 11 permits involving 400,000 square feet in the third quarter of 1975. Another 22 permits were issued for the rest of Greater London (935,000 square feet) compared with 36 permits (1.5m. square feet) a year before.

Scots industry output down

BY JAMES McDONALD

INDUSTRIAL production in Scotland in the first three months of this year was a little over 1 per cent. below the level of a year earlier.

Taking 1970 as 100, the index was 104.0 during January, February and March compared with 105.3 a year earlier. The overall U.K. output index showed a marginally larger fall over the period from 104.4 to 101.5.

But the first-quarter figure, according to Trade and Industry, suggests a rather less strong performance relative to the U.K. over the preceding year than between 1974 and 1975. "The revised annual estimates indicate that the fall in Scottish output between 1974 and 1975 was almost 2 per cent. less than for the U.K.

"This is consistent with other indicators of the Scottish economy in 1975 and early 1976," the commentary says.

The index for all manufacturing industry was down by 1.8 per cent. over the year, but production in the mining and quarrying sector was up by 1 per cent. and in gas, electricity and water output, by 5 per cent.

Within Scottish manufacturing industry, which accounts for about 75 per cent. of total industrial production, the experience of different industries diverged widely over the year.

Substantial falls of over 10 per cent. are shown in metal manufactures—down 18 per cent. compared with the first quarter of last year: vehicles—down by 24 per cent.; and other manufacturing industries—down 12 per cent. The mechanical and instrument engineering group, however, registered a rise in output of 12 per cent. and chemicals, coal and petroleum products registered an increase of 15 per cent.

Production in metal manufacture fell steadily after 1973 to reach its lowest point since 1970 in the third quarter of last year. "The latest two quarters provide some evidence that output was emerging from last year's trough," says the article.

It is pointed out that the 24 per cent. fall in the vehicles index—including ships and aircraft—over the year "partly reflects the very low level of output from Chrysler's Linwood plant in the final quarter of the period."

Although the mechanical and instrument engineering group in the first quarter of this year was still producing below the 1970 level, the index, at 95, showed that output had reached its highest level since 1971. "The impact of North Sea oil work has been an important element in this recovery."

HOME NEWS

ns for operating te aerospace istry go ahead

L DONNE, AEROSPACE CORRESPONDENT

ICK. chairman of Organising Com- essing ahead with eventual take-over ce industry in the nationalisation Bill w early next year. feated in the Lords sion, is expected to re the Commons By using the guillo- ernment could get e Lords by early ere it is intended Parliament Act, e its ultimate pas-

Bill's Parliamen- d Beswick and his ed that they must ue working on the for the eventual also pursue the ational discussions ling the next gen- l programmes. sing Committee is ler the Bill to aster-plan for the the Secretray of as possible after

the plan, as so far that there will be rating divisions of erospace Corpora- aircraft and the ded weapons and would probably n divisional boards the overall Aero- tion Board. e Organising Committee's aim to avoid a top-heavy *structure and to retain as much* decentralisation as possible. Thus, the divisional boards would probably have considerable autonomy.

Lord Beswick and his team also feel that it is vital to ensure continued overseas confidence in the industry, while the ownership issue is settled.

At the same time, while it is now clear that the airlines are not in a hurry to place orders for new jets, other world aircraft makers are busy drawing up plans for the future, and the U.K. must keep pace with them.

Accordingly, at Lord Beswick's insistence, the main companies, British Aircraft Corporation and Hawker Siddeley Aviation, are working increasingly closely together to find ways of meeting future world market requirements, and extensive international discussions are being continued.

Lord Beswick, for example, recently met the Dutch and German aerospace industry leaders, and a team from the U.K. industry, under the Organising Committee's auspices, is expected to visit the U.S. soon for talks.

The Organisine Committee's aim is to ensure for the U.K. industry as wide a variety of civil and military programmes for the future as possible, but it is expected to be several months before the world aerospace situation becomes clearer, and firm projects can be settled.

y worth £1bn. a year d, says Minister

RTH £1bn. is wasted cording to Dr. John Parliamentary ry for Energy.

to put that money ively, to encourage ustry," he said at a es seminar on

d be saved if indus- mestic consumers gy demand by 10 saving which has shown as easily

Ewbank and Asso- cation Group has d as a new certify- for checking the tegrity of offshore installations, Dr. Dickson Mabon, Minister for Energy, announced yesterday.

The group has been formed by Sir William Halcrow and Partners, Ewbank and Partners, Harris and Sutherland, Burness, Corlett and Partners and Messrs. Sandberg. They will join Lloyd's and four other ship classification societies as certifying authorities.

Dr. Mabon said it was the Government's wish to bring groups based on civil engineering expertise into the certifying field.

● The company involved in the linking of the Piper Field production platform to the Flotta pipeline is Constructors John Brown and not Costain John Brown as mentioned in a report yesterday.

Decision on option deals 'possible in three weeks'

THE STOCK Exchange Council could decide whether to approve detailed *plans for the controversial* new traded options market in two or three weeks, Mr. P. L. Durlacher told a London Business School seminar yesterday.

Mr. Durlacher, full time consultant to the Stock Exchange on traded options, said the printed proposals could be sent to members a few days after the council's approval provided that no more than minor alterations were required.

Members would then be given four or five weeks to indicate what financial support they would be prepared to offer. A meeting would be held in January to vote on changing the Deed of Settlement of the Stock Exchange, empowering it to *institute the new options market.*

A majority of 75 per cent. of votes cast is required to alter the Deed of Settlement.

Premium

Mr. Durlacher described how the market might operate. Each option contract could relate to 1,000 underlying shares. The average premium could be about 4 per cent. of the value of the shares. Since the blue chips to be dealt in had an average price of about £2 the average cost of a contract would be about £80.

He expected the average size of bargains would be three contracts.

In designing the information *and clearing system the main aim* had been to minimise costs. Mr. Durlacher believed costs per contract could be kept to less than £2. The minimum brokerage commission might be £12-£15.

W. Greenwell money bulletin

IN YESTERADY'S report headed "Money supply growth rules out MLR cuts" the monetary bulletin under discussion was described incorrectly as being by "stockbrokers Morgan Grenfell and Co."

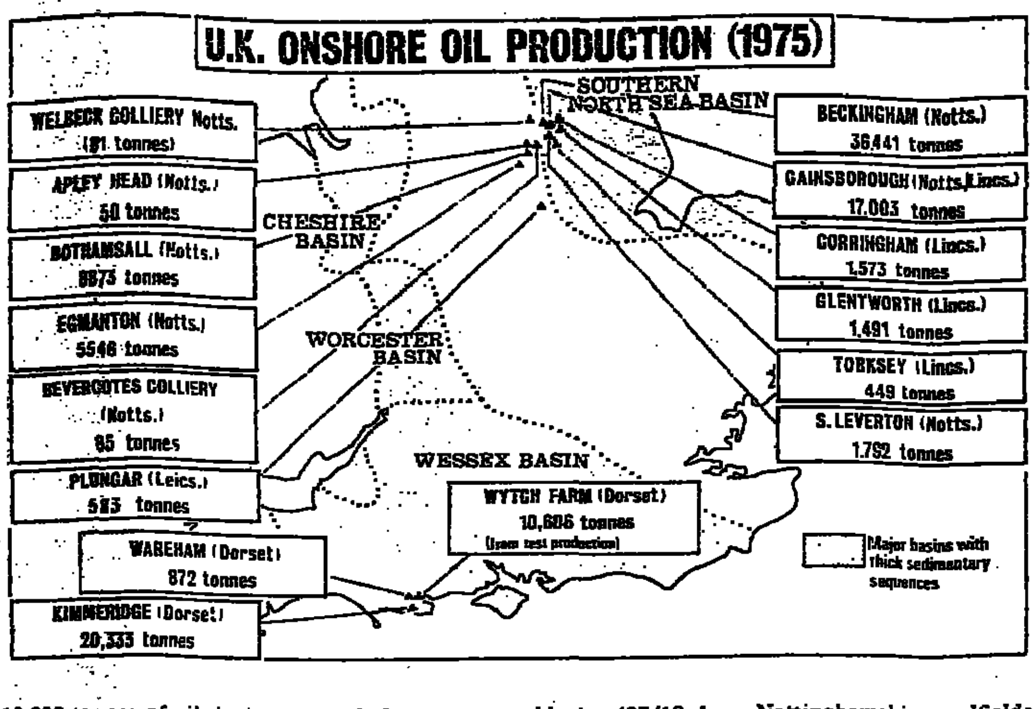
Morgan Grenfell is, of course, a leading merchant bank. The report in question was produced by W. Greenwell and Co., the stockbrokers well known for their work on monetary statistics.

ONSHORE OIL AND GAS REVIEW

BY RAY DAFTER

Every little drop helps

THE PLANNED development of an oil field in Dorset, confirmed in the past week by the British Gas Corporation, is indicative of the growing emphasis that oil and gas prospecters are placing on landward activities. In the past decade the spotlight of publicity has been trained on the more spectacular offshore venture. A company, battling against the elements to find and win oil from under the depths of the North Sea, inevitably has a better story to offer than the small exploration team seeking hydrocarbons in the pastures of Wiltshire.



Nevertheless, oil industry interest in the prospects of landward oil and gas production has been quietly growing; quietly, because the reserves and production rates involved are tiny when set against the North Sea but also, one suspects, because the industry cannot afford to *upset ecologists and environ*mentalists. As it is, both the exploration and production licences include a host of provisions aimed at protecting the environment.

Dorset County Planning Committee demonstrated a welcome facet of "open government" last Friday when it reviewed the application from British Gas for the development of the Wytch Farm oil field, to the south of Poole Harbour. The Corporation planning officials and objectors put forward their views—admittedly rehearsed at previous meetings—before the committee discussed the issues in open session. Planning per*mission was granted, enabling* the development of the biggest onshore field to be found so far.

The field covers an area roughly four miles by three quarters of a mile. Production, starting in about 18 months time, should be maintained for 15 to 20 years at a peak rate of 4,000 barrels a day. Under an agreement with BP, a co-licensee, the oil will be transported in railroad tankers to the Llandarcy refinery in South Wales. Clearly the arrangement between British Gas and the British National Oil Corporation covering the sale to each other of oil and gas that they produce does not apply in the case of Wytch Farm.

British Gas and BP have already built up considerable knowledge of the producing characteristics of Dorset oil reservoirs. Wytch Farm yielded 10,606 tonnes of oil during tests on production wells last year; their joint Wareham Field produced 872 tonnes and BP's Kimmeridge Field provided 20,333 tonnes.

The figures may seem insignificant when set alongside the anticipated output of North Sea oil fields—between 95m. and 115m. tonnes are likely to be produced in 1980, for example, enough to make Britain self-sufficient in oil needs. But onshore production is proving to be more and more attractive in terms of assistance to Britain's balance of payments and profits for the operators.

Output from Wytch Farm is expected to save £10m. to £12m. a year on Britain's oil import bill, even at current crude prices. Development costs are likely to be contained at around £6m.—a far cry from the £2bn. needed for Shell/Esso's Brent Field project in the North Sea.

For the capital outlay, British Gas will build a rail terminal capable of handling 6,000 b/d of oil, a capacity designed to handle oil from Wytch Farm, Wareham and Kimmeridge, as well as production from other wells which may be drilled in the future.

But this capacity does preclude the possibility of linking an offshore find into the Wytch Farm development. The fifth round of offshore licences, now being considered by the Department of Energy, enticingly includes two part blocks (97/18 and 98/11) which nudges the Dorset south coast. It is possible that one or both of them might include structures in some way related to the on-shore finds. It is felt, however, that if commercial discoveries are made in the two offshore blocks they will be developed through a quite separate system from the Wytch Farm railhead.

Using published information about Wytch Farm, industry analysts have calculated that the investment is equivalent to about $4,000 per average daily barrel: an attractive proposition *compared with offshore investment profiles.* So far North Sea oilfields have cost around $15,700 per average daily barrel to develop: those listed as probably commercial could well cost nearer $19,000.

Onshore production is not new: it has been taking place for over 50 years with British Petroleum as the leading operator. Last year, according to the Department of Energy, more than 100,000 tonnes of oil was produced from landward fields, the largest annual figure since 1964. BP and British Gas accounted for virtually all of the output with production ranging from 36,441 tonnes at Beckingham in Nottinghamshire to just 50 tonnes from one well at Apley Head (Notts). Small amounts—a total of about 165 tonnes—were also taken from Nottinghamshire coalfields where oil seeps into the worked seams.

There are currently 70 exploration licences covering 28,636 square kilometres held by various oil companies and consortia. The licences confer the right (subject to various permissions) to carry out seismic tests and to engage in exploration drilling down to a maximum of 350 metres only. In addition there are 53 production licences, covering 16,905 square kilometres, and 15 "mining licences," a throw-back to petroleum production legislation initiated in the 1930s.

A comparative newcomer to onshore exploration is Shell U.K., which has entered the busines in a big way, taking 17 licences in the South, Midlands, North-West and Scotland. With land seismic work both slow and expensive (costing over £1,000 per kilometre along a running line) Shell is spending between £1m. and £2m. a year on exploration work.

"We think that the prospects in the country justify that sort of work," Shell commented. "The land area has been relatively unexplored using modern evaluation techniques, certainly not to the extent of similar areas in the U.S."

It is the development of new exploration and development technology that is partly responsible for the new wave of interest in onshore prospects. The relatively low costs needed to exploit the modest landward structures have also attracted a great number of small and medium-sized companies, some of which might be stretched in the offshore area.

Candecca Resources, a Canadian company, has concentrated on the landward side, for instance. According to industry speculation the decision may be about to pay dividends. The company has made a promising oil find in Hatfield, Yorkshire, as well as a separate gas discovery.

Two concessions on the banks of the Moray Firth have drawn increased industry interest following the extremely promising find by the Mesa group, some 12 miles offshore, earlier this year. Ball and Collins and Attock Petroleum have started preliminary exploration work on the Brora-Helmsdale feature along the northern shore of the Firth. The concession along the south bank is held by Cambrian Exploration.

Cambrian has been discussing with Esso, BP and British Gas the possible development of a gas field at Bletchingley, in Surrey. The field was discovered in 1966 by Esso on licences held with BP and the Corporation. The licences have since been assigned to Cambrian.

In Scotland, Oil Exploration should start a seismic programme next spring on another gas prospect near Dalkeith, near Edinburgh. BP once produced in the area although output, through one well, ceased in 1962.

According to other industry reports Cluff Oil, which has an exploration concession in Yorkshire, is negotiating to acquire management control of a British company which has a substantial spread of onshore acreage.

The moves are further evidence of the growth in onshore work, for the past decade the poor relation to the North Sea. Last year 19 exploration and appraisal/development wells were drilled on land in the U.K., a number showing a return to the pre-North Sea days. Judging by the present level of seismic activity, the number of wells could well increase over the next few years. The potential *reserves may be small, but with* Britain in its current economic plight, who could argue against the fact that every drop of oil and gas produced will help?

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Loom could beat all comers

SUCCESSFUL completion of the first stages of a major project to develop a British multiphase weaving loom, capable of producing cloth at 3,000 picks per minute (about ten times the production rate of conventional looms), has been described by Mr. P. N. King and Mr. A. D. Paton of Cambridge Consultants in a presentation at the Shirley Institute.

The first stages of this long-term development programme satisfactorily demonstrated the technical feasibility of pneumatic shedding, a multiphase weaving technique patented by Cambridge Consultants (CCL), which eliminates the reciprocating parts limiting the speed of other prototype multiphase looms being developed in Czechoslovakia, Switzerland and Italy.

Aside from offering the prospect of increased weaving rates and reduced machine costs per unit output, pneumatic shedding also offers advantages of improved reliability by reducing warp yarn breakage since yarns are kept at low tension during shedding. A reduction in operating noise is also likely. CCL has also developed a beat-up motion specifically for use with pneumatic shedding, and this has been incorporated into a design for a 20 cm wide (handkerchief-width) prototype loom.

Now the first stages of the project have been successfully completed, CCL is seeking funding for the next stage. This will include manufacturing the 20 cm wide prototype loom which will weave sample fabric for evaluation by industry. The project so far has been funded by the Department of Industry. Proposals for funding further development have been submitted to the Garment and Allied Industries Requirements Board (GARB) and to selected U.K. machinery manufacturers and users who are being given the opportunity to evaluate the potential of the new loom with a view to taking up licence options.

The presentation at the Shirley Institute, together with an earlier one at WIRA, form part of the company's efforts to make the textile industry aware that work on a high-productivity multiphase loom is being carried out in the U.K.

If successful, this could well lead to a significant new drive in the profitable worldwide weaving machinery market.

Cambridge Consultants, Bar Hill, Cambridge. (0223 62466.)

● COMPUTERS

BAC given key micro contract

INTELSAT has placed a $120,000 contract with the Electronic and Space Systems Group of British Aircraft Corporation for the development of a general purpose micro-based computer unit for operation on space satellites.

It will be used primarily for attitude and orbit conrol and an engineered version is scheduled for delivery in 1977 to incorporate the latest available micro technology.

Less than 1 watt of power will be required and the memory will be expandable to meet a variety of applications. Up to 256 input/output channels of data will be handled. So this machine will be suitable either for use as the time-shared general purpose machine, or to handle the data coming from space experiments.

BAC will be required to develop a comprehensive suite of programs to operate the equipment.

Although BAC is a major partner in the Intelsat international procurement arrangements, the award of this contract from the U.S., which abounds in microprocessors of all types, is a real accolade for the U.K. company. But BAC had already made avionics history by building the first digitally controlled air intake unit ever designed, for use on Concorde.

BAC also is in the final stages of designing a fault-tolerant semiconductor memory to work with an on-board computer in a satellite. This development is for the European Space Agency.

BAC, Weybridge, Surrey KT13 0RN. Weybridge 45522.

● PRINTING

Display and keyboard speeds ads

TYPESETTING FOR display advertising can be a time-consuming operation and it is one of the areas in which exponents of new technologies have been particularly busy in recent years.

PA Technology and Science Centre in Cambridge has collaborated with Xenetron to produce a video-composer intended to provide a much more efficient way of photosetting such advertising material.

The operator of the unit works from a rough visual and arranges the copy on a display screen in actual point size and layout. The paper tape output from this exercise contains all the format instruction codes the phototypesetting machine needs to set the advertisement exactly as the layout requires.

Repertoire is 128 proportional width characters. Sizes run from 9- to 96-point in 1-point increments. All typesetting, formatting and control functions are run from the keyboard.

Completed advertisements can be displayed same-size, twice-up or half-size and may be copy-fitted visually into a scaled-down page format for positioning.

More from Xenotron on POB156, 1A Rothwell Street, London NW1 8YH. 01-722 8159.

● SERVICES

Cost-cutter at Baric

ADLER Business Computers and the Barclays/ICL data processing subsidiary, Baric Computing Services, are offering industry an invoicing and sales accounting package, based on Adler's TA 10-1 "calculating typewriter."

Baric-Adler facilities will enable companies to complete and retain original documents on their own premises and entirely under their own control, and issue them without delay while, at the same time, punching a numeric paper tape from which Baric can compute their analyses and management information.

Baric is recommending that their processing of customers' invoice and sales accounting data be front-ended with TA 10 machines producing numeric punch paper tape simultaneously with document preparation and computing, and aims to overcome two problems: companies' natural reluctance to part with original documentation and the high cost factor in preparing data for computer input from customers' vouchers or in the completion of invoices on a main frame computer.

The Adler-Baric venture begins at the end of November with a series of regional familiarising and training seminars for both concern's sales and customer-support personnel, although the first jointly negotiated installation, for Fine-Cal in Bristol, has already been completed. They will be offering six basic programs initially, tailored to customers' needs, and TA 10 purchase or rental arrangements will include full training of operators and stand-in staff who should each be capable of producing more than 100 six-line invoices per day after training.

Adler is at 140 Borough High Street, London, SE1 1LH. 01-407 3191.

● HANDLING

Grabs the scrap

REFUSE AND scrap metal can be handled by a five-cylinder five-bladed grab now being produced by Butters-Westwood.

There are two models, rated at 285 and 385 cu. litres capacity. Each of the tines is operated by an individual hydraulic cylinder. The standard grab is fitted with a 270 degree rotating head, and a 360 degree manual swivel is an optional extra.

All component parts are cast for maximum strength and every grab is fitted with a cross-line relief valve to provide compatibility with most types of handling equipment.

The maker is a division of Butter Cranes, Maclellan Street, Glasgow G41 1RT (041-427 1141), a Thos. W. Ward Group company.

● METALWORKING

Turret lathe from Japan

SMALL BAR and chucking work can be carried out under numerical control on the Ikegai Gemturn NC turret lathe built by the Marubeni Corporation in Japan.

Driven by a 7½ hp DC motor, the main spindle has 29 speeds from 100 to 3,500 rpm—optimum cutting speed is automatically selected. A 12-tool turret is fitted which allows 6-tool or 12-tool set-ups to be employed using only two types of toolholder.

Maximum cutting diameter is 260 mm for a 6-tool set-up and 130 mm, with a 12-tool set-up. Maximum bar diameter and cutting length capacity are 38 and 300 mm, respectively. The spindle is bored to 45 mm. dia. (standard) or 51 mm. dia. (optional).

Using the fitted Ikegai microscope tool setting gauge it is claimed that an unskilled operator can set tools within 0.01 mm. accuracy in a few seconds. Optional extras include a bar feeder and an automatic chip disposal conveyor. Manual, hydraulic or collet chucking can be provided. The machine is compact, occupying 2.2 x 2.5 metres.

It is marketed in the U.K. by N.C. Engineering, 26, Benskin Road, Watford, Herts, WD1 8NW (Watford 24396).

● ELECTRONICS

One-inch TV square tube

SPECIAL Components Department of Ferranti has added a one inch rectangular tube to its small cathode ray tube repertoire.

Designed for hand-held TV camera viewfinder and other applications requiring a small rectangular picture, the new tube has been developed directly from the existing range.

This new CRT provides a larger useful picture size with minimum volume and weight. It is a direct view tube with, possibly, a simple magnifying lens, but with the high optical quality of the faceplate it can also be used in an optical system.

The new CRT, operating at 7kV with an 11 volt heater supply, offers a degree of resolution which is more than adequate for 625 line working. With a nominal screen diagonal of 42 mm, giving a useful screen diagonal of 36 mm, the one inch CRT has an overall length of 120 mm, a neck size of 14 mm and weighs 50 gms.

More from Gem Mill, Chadderton, Oldham OL9 8NP. 061 624 0515.

● SECURITY

Lessening the risk of loss

A BID FOR a larger share of the market for safety and security equipment is to be made by a Kent company, Howfield Security Services.

Showrooms are to be opened in December in Ashford Road, Chartham, Canterbury, where equipment ranging from identity cards to intruder alarm systems and fire prevention equipment will be displayed.

The company specialises in security equipment for building and civil engineering sites and apart from design and installation offers a 24-hour maintenance service.

● MATERIALS

Adheres to non-stick surfaces

COMPONENTS AND fitments made of rigid or flexible polypropylene and polyethylene are often difficult to bond in place because these plastics have low energy (non-stick) surfaces. Two adhesive tapes, available from 3M United Kingdom, may solve the problem.

Both tapes consist of a transparent, high tack synthetic rubber adhesive that is inseparably bonded to both sides of a closed-cell polyethylene foam. The foam takes up irregularities in the substrate.

The adhesive resists the migration of most plasticisers.

Called Scotchmount, the tapes are available in 33 metre rolls in widths ranging from 6 to 120mm. One has a 0.8mm thick foam layer and the other has 1.6mm foam.

Applications include mounting mouldings, trim and fitments, on domestic and commercial appliances and equipment.

Further information is available from the Industrial Specialities Group, 3M United Kingdom, Wigmore Street, London, W1A 1ET (01-486 5522).

● PROCESSES

Retards flames

A FLAME retardant process that enables hardboard to meet Class O specification, under BS476 Parts 5 and 6, has been developed by Rentokil, Felcourt, East Grinstead, West Sussex, RH19 2JY (0342 23661).

Called Celgard, the process is based on vacuum/pressure impregnation with an aqueous solution of fire resistant salts. It is caried out as a service to customers at Checkendon, near Reading, Berks. Arrangements for the supply of treated hardboard can be made for those not wishing to supply their own board.

Initially, production will concentrate on processing hard board. Development is in progress to expand the process into other wood-based sheet materials and products.

It is claimed that the process does not affect the original surface characteristics, smoothness and paintability of the hardboard.

Phosphating at lower temperature

INSTEAD OF requiring a nea[r] boiling temperature (up to 9[…] degrees C), a combined degreas[…]ing/iron phosphating process de[…]veloped by Tri-Kem can operat[e] at low heat.

Tri-Fos LQ, can function a[t] near ambient temperature (about 30 degrees C), effectin[g] savings in fuel costs, says th[e] maker. An iron phosphate coa[t]ing in the range 0.7 to 1 gramme sq. metre is produced, leavin[g] the steel component ready f[or] painting.

The company has also intr[o]duced a smooth grain refine[d] manganese iron phosphating pr[o]cess, Tri-Fos MN, which is sa[id] to overcome the need for pr[e-]refining dips.

Based at Weedon Road Industrial Estate, Northampton, N[…] 5AF (0604 53029), the compan[y] is now operating an analytic[al] and technical advisory servi[ce] for its customers.

Compresses the rubbish

A £1½m. machine which co[m]presses rubbish into one-and-quarter ton solid bales was co[m]missioned in Glasgow yesterda[y].

The machine is at the cit[y's] Polmadie disposal plant and w[ill] compress rubbish into five-fo[ot] long bales with a density of [...] pounds a cubic foot.

The bales are to be buri[ed] at a tip in the city, where th[ey] will be stacked in two tiers a[nd] covered with earth and ash. Whe[n] this tip is finished and lan[d]scaped, Glasgow plans to fill another site at Coatbridg[e], Lanarkshire, with the hope [of] reclaiming 160 acres for farmin[g].

The baler was made by Harr[…] Economy at Bridgend, Sou[th] Wales. Main contractor for th[e] installation at Polmadie w[as] Murphy Solid Waste Systems [of] London.

● By agreement between t[he] Financial Times and the BB[C] information from The Technic[al] Page is available for use by t[he] Corporation's External Servic[es] as source material for its ove[r]seas broadcasts.

هكذا صنع الأصل

The S-class.
All the cars you've ever driven have been leading up to it.

Everyone has their own idea of the car that they ould ultimately like to own.

We're happy to say that a lot of people, including iany of the world's motoring experts, think that we ave the ultimate car in one of our 2.8 to 4.5 litre -class saloons.

Once behind the wheel, it's not difficult to see why. ew cars, if any, can offer such a remarkable combination f technically advanced engineering, safety features nd comfort.

On the engineering side, you'll find features like ur highly developed power assisted steering and twin rcuit brakes with discs all round.

Our integrated safety system has long been a iining example to others.

Our timeless body design, for example, conceals ne of our most significant inventions, the passenger afety cell.

Proof that beauty can go hand in hand with safety.

At the same time, more recent developments ke zero-offset steering, internally adjustable exterior mirrors and dirt resistant lights are fast becoming standard features on everyday cars.

But maybe the features that best reflect our concern to improve the life of the motorist are the ones that go almost unnoticed.

Like contoured seats and arm rests that are scientifically designed for safer, more comfortable driving.

Of course, one of the problems of being the envy of other manufacturers is that our standard features appear as 'new' or 'revolutionary' on other makes.

On the other hand we are flattered that our cars are being so carefully taken apart to see how we put them together.

To see for yourself just how well we do this, we suggest you take a test drive at your local Mercedes-Benz dealer.

Mercedes-Benz.
The way every car should be built.

Mercedes-Benz

Mercedes-Benz (United Kingdom) Ltd., Great West Rd, Brentford, Middlesex TW8 9AH. Telephone: 01-560 2151.
For enquiries about export and diplomatic purchase please contact: Export Sales Division, Avenfield House, 127 Park Lane, London, WIY 3AS. Tel: 01-629 5578.

PARLIAMENT

Peart warns on economy threat to Labour policies

BY JOHN HUNT

A NEW WARNING about Britain's economic plight was given yesterday by Lord Peart, Leader of the House of Lords, echoing the sombre assessment made the previous day by Mr. James Callaghan, the Prime Minister.

Lord Peart emphasised that he wished to leave the Lords in no doubt as to the seriousness with which the Government viewed the current situation.

"I think it is fair to say that the economy is in the doldrums for the present," he declared. "Unless we can get this right, all the rest of our policies set out in the Queen's Speech must be in jeopardy."

He reiterated Mr. Callaghan's words about the possibility of higher unemployment and the slender chance of a fall in inflation in the immediate months ahead.

Opening the Lords debate on the economic aspects of the Queen's Speech, Lord Peart referred briefly to the negotiations which are still continuing for the $3.9bn. loan from the International Monetary Fund. "There is no question of the Fund forcing policies on us against our will which would weaken our economy," he said.

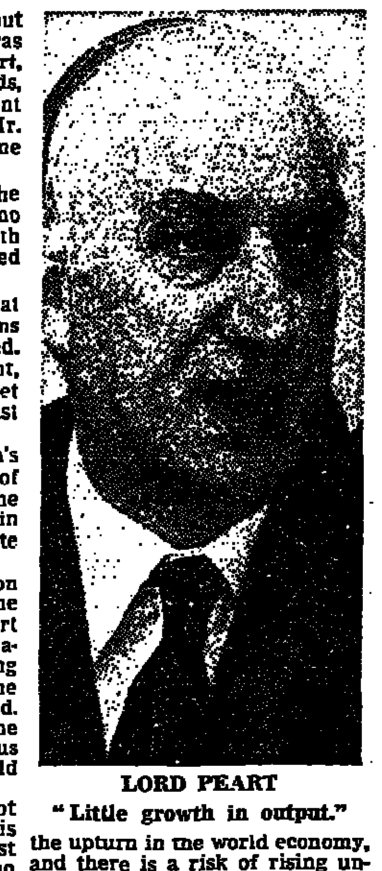
"This would be contrary not only to the interests of this country, but also to the interest of other countries who have no wish to see an economically weak and feeble United Kingdom.

"What the Government will do is to make those adjustments both we and the IMF consider necessary to strengthen our mixed economy."

He also warned that getting this money would not be the end of our problems because, over and above the current account deficit, there would remain the "overhang" of the sterling balances.

Lord Peart said that Britain had now experienced four months of little growth in output and there was only a hint in the latest month's figures that we might be starting to move upwards again. The growth in world trade had slackened markedly since the first quarter of the year.

"The resulting mood is one of uncertainty as to the strength of the upturn in the world economy, and there is a risk of rising unemployment in many of the industrial countries, including the U.K. It is still too early to say whether we have passed the peak in unemployment."



LORD PEART

"Little growth in output."

Despite some levelling-off in the summer, the prospect for exports remained good, but the balance of payments was still not right. Imports had risen over the year, and the continuing deficit was serious. Obviously, our payments deficit would not disappear overnight.

He pointed out, however, that the underlying rate of inflation was far lower than last year. "Although there is little prospect of the rate declining over the next few months, the current pay round, under which more than 2.5m. people have already settled, should ensure a further reduction next year."

The higher interest rates demonstrated the Government's determination to curb money supply. He predicted a reduction in public expenditure in real terms for the next financial year. It was not just the stabilisation set out in the February White Paper.

"Indeed, public expenditure and the borrowing requirement this year are running more or less along the levels planned," he said.

"But to make massive and immediate cuts in public spending will hardly help the situation we are now facing with unemployment still at 1.3m. and growth at well below the rates we need."

Lord Peart stressed that the Government recognised the importance of a healthy private sector of industry making healthy profits. "There is nothing wicked or sinful about them, provided much of them are ploughed back as investment for the future."

But in present circumstances the Government could not encourage consumption, private or public. The Government and the nation had made it clear they were prepared to accept some further reduction in living standards in order to cut borrowing and invest in the future.

Attacking Government policies, Lord Gowrie, Conservative Treasury spokesman, said that the social contract had not only failed, but had positively fuelled the very unemployment it was designed to alleviate.

The price had been high borrowing lto fuel higher socia spending with the result that capital was denied to industry. There had been the "dismal cycle" of high borrowing, high rates of interest, low profits, low confidence, low investment, more unemployment and more higher spending.

He urged that direct taxation should be cut even though this would mean an increase in indirect taxes. We must change from a low-paid, high benefit economy, to a high-paid, low benefit economy.

"We must think in terms of the £10,000-plus-a-year industrial worker who pays for all of his food and clothing, most of his medicine and even quite a lot of his childrens' schooling," he said.

IMF loan terms debate call

MPs MUST be given a chance to debate the loan Britain is negotiating with the International Monetary Fund before agreement is reached Mr. Francis Pym, shadow leader of the House demanded in the Commons yesterday.

This was by far the most important subject facing the country, he argued.

Sir David Renton (C., Huntingdonshire) also asked whether the Government would seek the approval of the Commons, or if MPs would merely be asked to endorse a fait accompli.

Mr. Michael Foot, Leader of the House, said he would give the fullest consideration to the best way in which the Commons could discuss the IMF negotiations. But the Government would deal with the loan application in the same way as previous Governments.

He added that there would be opportunities to discuss the whole economic situation in the House next week.

Big question over social contract—MP

FORMER TORY Minister Mr. Peter Walker (C. Worcester) told the Commons it was a big question whether the social contract would hold when ordinary families were being asked to drop living standards. A further wage explosion would be calamitious for the future of the economy.

He urged an incomes policy which discriminated against non-productive industries and a change in taxation which would lessen rates on the lower-paid.

The country had to try to create an atmosphere in which people would tolerate almost unprecedently low living standards, and Parliament should concentrate on this reality, Mr. Walker declared.

Next week's business

COMMONS debates next week are:
MONDAY — Queen's Speech: Industry and employment.
TUESDAY — Queen's Speech: Economic affairs: National Insurance surcharge resolution.
WEDNESDAY — Aircraft and Shipbuilding Industries Bill, second reading.
THURSDAY — Social Security (Miscellaneous Provisions) Bill, second reading; EEC documents on agricultural products.
FRIDAY—Fishery Limits Bill, second reading; EEC documents on fisheries.
MONDAY (December 6)—National Insurance Surcharge Bill, second reading.

Peart worried by attacks on Civil Service

LORD PEART, the Minister in day-to-day charge of the Civil Service, said he was deeply concerned about "shrill, hysterical attacks" on those who worked in the public service.

He thought that some of the attacks showed ignorance and malice and warned that such critics were getting dangerously close to destroying the morale and dedication of civil servants.

He conceded that the proposed cut-back in the growth of the Civil Service would be painful and that it implied a "rougher justice."

But Lord Peart maintained that the present costs of administration were the consequence of "the responses of successive Governments to the wishes of the electorate." They were not the result of improper pressure from civil servants.

Compensation claims grow

Financial Times Reporter

THE CRIMINAL Injuries Compensation Board expects to receive some 20,000 applications this financial year, compared with the 16,690 last year, according to the 1975-76 report published to-day.

Twelfth Report and Accounts of the Criminal Injuries Compensation Board Cmnd. 6656. HMSO, 50p.

Foot invites suggestions for Lords reform

MR. MICHAEL FOOT, Leader of the House, said yesterday that he had not changed his mind about the need to reform the House of Lords.

He was replying to Mr. Dennis Skinner (Lab., Bolsover) who told him that all his "huffing and puffing and dire threats" against the Lords was no substitute for action.

Mr. Skinner urged Mr. Foot to introduce a short, sharp Bill to get rid of the House of Lords once and for all, in accordance with the views that Mr. Foot had held when he was a backbencher.

Mr. Foot replied: "I have not altered my views about the desirability of change." But a "short, sharp Bill" on the lines suggested by Mr. Skinner would still have to go through the House of Lords—and that might take a long time.

He did not think this was the best way of dealing with the problem, but he would be eager to hear suggestions about the best way of translating the idea of reform into practice.

Written answers

ENERGY

Mr. Hugh Dykes (Con., Harrow East). When will discussion take place with the petroleum industry's producers and retailers on the effects of the latest petrol price increases on the retail price index?

Dr. J. Dickson Mabon, Minister of State. I have no plans to discuss this subject with petrol suppliers. Oil price increases are subject to the Price Code which also controls profit margins.

PRICES

Mr. Michael Shersby (Con., Hillingdon, Uxbridge). What fire regulations exist concerning the use of polystyrene materials in the manufacture of soft furnishings?

Mr. John Fraser, Minister of State. There are no regulations at present under the Consumer Protection Act 1961 governing the use of materials in soft furnishings. The Govefnment is sponsoring research in this field and I shall consider the possibility of making regulations when the results of this research are available.

INDUSTRY

Mr. Wyn Roberts (Con., Conway). What percentage of washing machines sold in the U.K. is imported and home-produced respectively, for the latest convenient period and for the same period on year previously.

Mr. Leslie Huckfield, Under-Secretary. In the first half of 1976, 29 per cent. by number of domestic washing machines sold in the U.K. were imported and 71 per cent. home-produced. Comparable figures for the first half of 1975 were 27 and 73 per cent. respectively.

TRADE

Mr. Michael Morris (Con., Northampton South). What is the current delay in weeks between an application for registering a business name with the Registrar of Business Names?

Mr. S. Clinton Davis, Under-Secretary. Certificates of registartion are normally issued within a week of the receipt of applications in respect of businesses not previously registered. Applications made following a change of ownership are currently taking on average a month longer to register.

Mr. John Lee (Lab., Birmingham, Handsworth). Will the Secretary for Trade intervene to prevent any take-over of London City and Westcliff properties by Lonrho pending the outcome of all legal proceedings and his department's investigations involving directors of Lonrho.

Mr. S. Clinton Davis. I have n opower to intervene in any proposed takeover by one company of another. The Department's investigations have been completed; any legal proceedings are not for me. A reference to the Monopolies and Mergers Commission would be a matter for the Secretary for Prices and Consumer Protection.

Mr. Reginald Eyre (Con., Birmingham, Hall Green). What recent representations have been received relating to difficulties affecting the export of wrought titanium?

Mr. Michael Meacher, Under Secretary. I have received a number of letters from employees of IMI (New Metals Division) urging the international harmonisation of tariffs on wrought titanium.

Mrs. Barbara Castle (Lab., Blackburn). What steps are being taken to support the representations made to the Commission of the EEC in May by the whole of the bearing industry in the EEC for protective measures to be taken against low-priced imports from Japan and the Comecon countries; and if he will ascertain when the Commission's response is likely to be published?

Mr. Michael Meacher. Following an application for Community anti-dumping action against imports of roller bearings from Japan by the Committee of the European Bearing Manufacturers Association, the case has now been accepted for full investigation at community level.

★

Mr. Peter Blaker (Con., Blackpool South). What amount of the £950m. credit offered to the USSR has been taken up at the latest available date?

Mr. Michael Meacher. The total value of contracts placed under the Agreement to date is approximately £42m. Discussions are cotninuing on further substantial contracts between U.K. exporters and buyers in the USSR.

★

Mr. Max Madden (Lab., Sowerby). Whether licences have been sought for the import of heavy freight diesel trains (Class 56) manufactured under licence in Romania; and what is the total value of the orders concerned.

Mr. Michael Meacher. The import of heavy freight diesel trains is not subject to individual licensing. I understand that the value of the locomotives assembled in Romania which were the subject of recent reports in the Press was £8.4m. of which the import content was about 15 per cent. (£1.2m.).

★

Mr. Michael Jopling (Con., Westmorland). Whether anti-dumping action could be taken against imports of goods when it can be shown the landed cost of the finished article in the U.K. is less than the cost at which British producers can buy the raw materials required to make them?

Mr. Michael Meacher. No Sir. While the relationship of these costs raises a presumption of dumping, it is not evidence which would satisfy the requirements of our legislation and the GATT Code which are based on the relationship of export and domestic prices in the country of origin.

Mr. Tony Newton (Con., Braintree). What is the estimate of the additional income tax which will be collected in a full year as a consequence of the forthcoming increase in national insurance retirement pensions; and what proportion this represents of the annual cost of the pension increases?

Mr Robert Sheldon, Financial Secretary. The additional full-year tax yield arising from the increases in national insurance retirement pensions and widows' benefits is estimated to be about £105m., or approximately 12 per cent. of the full-year cost of the benefit increases.

Sir George Young (Con. Ealing, Acton). By how much would revenue increase if the real value of duty and value-added tax on drink, petrol and tobacco were restored to the level of November 1966?

Mr. Robert Sheldon. About £750m. in a full year.

Sir Anthony Royle (Con., Richmond). How much revenue was collected by the Government from stamp duties, in particular those relating to property, during the year 1975-76?

Mr. Robert Sheldon. The yield of the stamp duties during the year 1975-76 was £281m., of which £91m. related to land and buildings.

Schools: Minister puts ideas for 'great debate'

THE "GREAT DEBATE" on education will gather force early next year, with about eight regional conferences in different parts of the country before July, Mrs. Shirley Williams, Education Secretary, told the Commons yesterday.

In the resumed debate on the Queen's Speech, Mrs. Williams said the conferences would give a clearer reflection of what was happening in schools than the "hysterical, exaggerated, and distorting" Press reports.

Among proposals to bring parents into closer contact with schools was an idea for "two-way" school reports so that parents could report to teachers on their own view of their child's progress.

In an effort to meet shortages of qualified people, the Government was considering special scholarships to attract children into courses particularly relevant to posts in productive industry.

Mrs. Williams said that aspects of student support were being examined, and the results were expected to be announced next spring.

She was very concerned at the results of a recent survey, which showed that a large proportion of parents did not pay the whole of the assessed contributions. "I shall be asking local education authorities to draw parents' attention to the need to pay their contribution in full."

On teacher training, Mrs. Williams said that in achieving a new balance between initial and in-service training, a considerable number of institutions, perhaps 30, would have to cease to be engaged in initial teacher training.

She said that 15,000 teachers who had successfully completed training this year, were still unemployed, and this was an unfortunate paradox at a time when there was a shortage of teachers of craft, design, technology, maths and science.

The real shortage might be even greater than surveys had indicated, because of subjects having less prominence on curriculums due to shortage of suitable teachers.

Mrs. Williams said her Department proposed to set up one-year courses to re-train teachers of othe rsubjects to teach in those subjects she had mentioned. The courses would be open to newly qualified teachers unable to find jobs as well as to serving teachers.

"I hope arrangements can be made for those who complete the cours esuccessfully to be assured of future employment." She also had in mind the provision of courses to re-train teachers as teachers of mathematics.

Mrs. Williams said there was no truth in the rumour that the Government was prepared to retreat from proposals on adult education by the National Advisory Council. Discussions with local authorities had been encouraging and consultations would be completed with other interested organisations.

The Government would also shortly set up a youth service for England and Wales. "I have no doubt that we can still further improve standards in education, and draw together a consensus on this subject, which will give us one of the most exceptional education systems in the world."

Mr. Norman St. John-Stevas, shadow Education Secretary, said Conservatives accepted cuts in eduaction as in the whole field of public expenditure. Bu teducation should not have to bear more than its fair share.

"It isn't reasonable to devote £25m. to a comprehensive reorganisation scheme which isn't wanted by those on whom it is being imposed," he said.

Similarly, Conservatives did not criticise cuts in colleges of education. But the "provisional positions" stated by the Government suggested that their planning machinery was unable to forecast the number of places needed for the future.

Mr. St. John-Stevas said Tories wanted acceptance of the principle that the right of educating children belonged to the parent and not to the State.

Mrs. Williams outpaces Tories

BY PHILIP RAWSTORNE

AFTER MAKING most of the political running on education, the Conservatives were yesterday thoroughly outpaced by Mrs. Shirley Williams.

"My Government will pay special attention to the maintenance and improvement of performance . . ." the Queen's Speech had pledged.

And the Education Secretary, racing through an all-action programme, certainly lived up to the promise.

Reports of declining school standards she dismissed rapidly as "hysterical, exaggerated and distorted," predicting that the regional conferences next year would reflect more clearly the true situation.

Mrs. Williams supported the Prime Minister on the Government front bench—made it clear that there was to be a major effort to achieve greater fitness of training.

There were plans to improve the links between schools and industry, between parents and teachers, and to reorganise teacher training to meet new demands.

Some of the programme was obviously going to be very rigorous—but Mrs. Williams, vaulting lightly over the financial obstacles, set an impressive example to be followed.

The reluctance of some authorities would not be allowed to slow progress towards a comprehensive system which had been accelerating over the last 20 years, she declared, giving eight tardy authorities six months to catch up.

That was nowhere near long enough, Mr. Norman St. John-Stevas complained from the Tory front bench, where he was having difficulty in finding his stride.

The Tory spokesman managed to retain his style but soon ran out of substance and stamina. Mrs. Williams's nimble display, he was forced to admit in the end, had sucessfuly re-created an atmosphere of reassurance.

Mr. St. John-Stevas suspected that her air of reasonableness concealed very little real reason. "What we expect from the Government is action to follow their words," he concluded lamely.

LABOUR NEWS

NHS professional grou rush for union status

BY DAVID CHURCHILL, LABOUR STAFF

FEARS THAT a wide-ranging report on collective bargaining in the National Health Service will leave non-trade union professional associations "out in the cold" has prompted a rash of applications from these organisations for independent union status.

The report, by Lord McCarthy, is due out next week and may, they believe, say that the most efficient way of improving health service bargaining and consultation is to limit representation to independent trade unions.

At present, there are about 47 organisations represented on the NHS Whitley Council system and this has led to long delays in the machinery.

The report was commissioned by Mrs. Barbara Castle when Social Services Secretary, after a rash of pay disputes and arguments about representation two years ago.

Both the Royal Colleges of Nurses and Midwives have already taken steps to seek union status—after having vigorously resisted the move—and now the 7,500-member Society of Radiographers is to consider a similar move at a meeting of members early next month.

The effect of the McCarthy report, even before it is published, in prompting these organisations to become trade unions is likely to lead to further controversy over the Government's handling of employee recognition, disclosure and participation.

Many small, non-TUC employee organisations fear that the Bullock and Treasury industrial democracy reports on the private and public sectors will be heavily weighted against them.

Trade unions in the health service are expected to welcome the McCarthy report's recommendations, even if they do not go so far as limiting participation to TUC-affiliated unions.

Evidence submitted to Lord McCarthy's committee by the three main health service unions—the National and Local Government Officers' Association, the National Union of Public Employees and the Confederation of Health Service Employees—have all called for limiting the Whitley system to TUC-affiliated unions.

NALGO suggested in its evidence, however, that the professional associations outside the TUC should be given advisory status to enable the employees they represent to have some degree of participation.

Among the other rec tions the report is e mention are moves to number of separate Councils in the NHS present nine.

Moreover, there are be some moves to gi flexibility and decis powers to managem sentatives on the Councils.

At present, the Trea has to be consulted o implications of meas considered by the cou

Tougher action sough on certification

BY OUR LABOUR STAFF

TOUGHER action to control the circumstances in which unions are granted certificates of independence under the Employment Protection Act will be demanded by TUC leaders at a meeting with Mr. Albert Booth, Employment Secretary, to-day.

The TUC and Government are equally dissatisfied with the way the present certification arrangements are working in some cases.

At the moment, a certificate—which helps bestow collective bargaining and other industrial relations advantages — will normally be granted if the Certification Officer is satisfied that a union is independent, financially and in other ways, from employer interests.

At to-day's meeting, TUC representatives will demand an Advisory, Conciliation and Arbitration Service code of practice in which the effect on industrial relations of increasing the number of unions in a company or industry would have to be taken into account when applications for certificates were

This reflects TUC about the developme affiliated staff associ resenting white-colla fessional workers in s of industry.

The TUC will a Booth for provision fo object to decisions of cation Officer to gr cates.

In the first appeal fication issue, the E Appeal Tribunal th upheld a decision by cation Officer not to the Blue Circle Staff as an independent or

The tribunal will reasons for its dec week.

● The Medical Agency Staff Associ been refused a cer independence by the tion Officer on the gr it does not meet th dence criteria laid do Employment Protectio

Power plant strike may end to-morrow

BY OUR LABOUR STAFF

HOPES OF an end to the 23-week old strike which has halted construction of the £300m. oil-fired power station on the Isle of Grain in Kent rest on a mass meeting of strikers to-morrow.

This follows a preliminary agreement between Babcock and Wilcox, the site contractors, and trade union officials that a phased return to work could start next Monday if the strikers agreed.

The union officials accepted an undertaking by Babcock and Wilcox that it would negotiate on jobs and compensation for those of the 900 workforce it was unable to re-employ following the scaling down of its contract work on the site.

These negotiations and discussions on productivity and site discipline will be held next week under the auspicies of the Engineering Employers Federation.

About 50 to 60 men would start safety checks and essential maintenance on Monday if the strikers agreed. This would be followed by a phased return to work over the following month.

The strike at the power station started last June after a row over provision of safety overalls for 28 scaffolders. Nearly 900 other workers on the site walked out in sympathy.

Since then the contractors have insisted on a guarantee of higher productivity before re-opening the site.

Strikes in the past two years have put the plant, the largest oil-fired generating station in Europe, a year behind schedule.

Policy n demand for jobs

By Ray Perman, Scottish Corresponde

THE LABOUR PART in Scotland yesterday Government to immediate change in tion of economic poli to reduce unemployn

In a statement, they measures to stop the capital being invest selective import contr to the reserve curren sterling, and an end public spending.

Mr. James Milne, g retary of the STUC unions would be these points when the Prime Minister in I December 8 and 9.

He said that th already people quest future of the social co that the Government' about maintaining e and living standards broken.

He echoed the fear Murray, TUC general that conditions impos IMF might mean addi in public expenditur duced domestic dem making unemploymen

"We can't see w action of this kind w IMF or anybody else. simply compound a difficult situation."

The joint statement concern that unemplo Scotland will start to over the next few

Tornado critic loses dismissal claim

BY OUR LABOUR STAFF

AN AERODYNAMICS expert who wrote to a newspaper condemning the RAF's new Tornado strike aircraft as a "sitting duck," has lost his claim for unfair dismissal from a Government-backed research centre.

Mr. Stephen Thornley was a senior project engineer at the Aircraft Research Association at Bedford. He put his case to an industrial tribunal in the town in August and September. In its decision published yesterday, the tribunal says the ARA was reasonable in dismissing him.

Mr. Thornley claimed at the first tribunal hearing that he was unfairly dismissed after he was accused of breaking the Official Secrets Act and breaching commercial security.

Mr. Thomas Beighton, company secretary, told the tribunal Mr. Thornley was involved in a three-year row with the management after he was transferred from the Tornado project because he was needed for other work.

At the resumed tribunal hearing in September, Mr. Thornley said company instructions to keep silent for commercial security reasons amounted to incitement to treason.

He said his letter, published in the Guardian, was a public warning of a shortcoming in the national defences and so was outside considerations of commercial security.

The tribunal ruled yesterday that he was in "serious breach of the undertaking and declaration given by him under the terms of his contract."

It added: "In the circumstances, having regard to equity and the substantial merits of the case, the respondents (ARA) acted reasonably in treating it as a sufficient reason for dismissing the employee."

End statisti ban, civil servants ur

By Our Labour Staff

AN APPEAL to civil in the Department of ment to call off thei statistical work, wh halted publication of t ployment figures, was Mr. Albert Booth, Em Secretary, yesterday.

After a meeting wit of the Civil and Public Association which is the ban, the union a consider his appear ne

The union also agree an internal working consider their grievan manpower and service the Department, plans to introduce fo signing of the unem register.

Heathrow strikers meet to-day

BY OUR LABOUR STAFF

AIRCRAFT refuelling workers at Heathrow will meet this morning to decide whether to continue a strike which forced airlines to change their normal fuelling arrangements yesterday.

The men are disputing the operating arrangements for a new type of fuel vehicle designed to connect directly to wide bodied jets. They claim two men are needed to operate it. The strike began after BP management suspended a worker for refusing to drive the vehicle alone.

British Airways said yesterday that flights were leaving on or near time but many journeys were taking longer than usual because of the need for an extra refuelling stop on the Continent. Aircraft approaching Britain were ensuring that they had enough fuel for the first leg of return flights.

Newspaper staffing levels cal

BY ALAN PIKE, LABOUR STAFF

NEWSPAPER EMPLOYERS must accept the social costs of introducing new technology and probably carry more staff than they need in the initial stages, Mr. Joe Wade, general secretary of the National Graphical Association, said yesterday.

Mr. Wade, many of whose members in composing rooms will face redundancy as a result of technological change, developed what has become his consistent theme at the Newspaper Society's biennial technical conference in Brighton.

Unions and their members, he said, had to accept changes in technology. Employers, however, must equally accept the social costs involved.

This meant not only golden handshakes, but incomes maintenance too. "It means the probability of having to carry a larger staff than they may really require until the non-replacement of staff takes care of the situation."

Some resistance to change was hardly surprising when sophisticated technology could wipe out thousands of jobs.

Noting that the Newspaper Society, which represents provincial publishers, was now seeking talks on new technology like those already in progress for the national Press, Mr. Wade warned that the only realistic way of introducing cha on the basis of existing tion lines.

Another speaker at ference, Mr. John managing director of ster Press, agreed t employment of more than necessary until came through natural w redeployment was one to the human problem nical change.

The opportunity t British newspapers out o and insecure financial si and give generous cov the social aspect depend taking the full measure by new technology.

هكذا من الأصل

The Property Market

BY QUENTIN GUIRDHAM

Swansea centre scheme starts. Cardiff still delayed

FORMAL AGREEMENTS were signed on Tuesday for the Swansea centre shopping scheme, a project on which Donaldsons has been working with the council since 1969. It is not on the scale first envisaged — 300.000 square feet — but even at 180.000 square feet ranks as a rarity in going ahead at this time. And although financially separate, the total of new shopping architecturally linked to the scheme equates to the original size, since its includes the 45.000 square feet C & A store already trading and the 145.000 square feet Debenhams, where the contractors moved in two weeks ago.

Coal Industry Nominees had *agreed the funding in principle* last year, subject to the contracting tender and pre-lets. The contractor will be Thyssen, the British arm of the German group, and the major pre-lets are to Boots, for 70.000 square feet, with negotiations advanced with W. H. Smith for 22.000 square feet. The remainder of the 180.000 square feet in the Council-CIN scheme will be divided into 38 shops units, some of which may be amalgamated.

Funding is on the basic of CIN putting up the first £4m. and with the cost expected to run something above that, the Council at present plans to put in the extra cost. CIN gets a minimum return which sets up a gearing effect on the remaining revenue.

Completions on both Debenhams and the Council-CIN portions of the centre are due before Christmas of 1978. Healey and Baker, consultants to CIN, will be joint agents with Donaldsons on the shop units, and the two agents may be linked again with another town centre scheme in Kingston-on-Thames, where Donaldsons are the Council's advisers and CIN has provisionally agreed to fund the scheme.

But the Cardiff central scheme the remnant of the 77-acre Ravenseft plan which has now come down to 500,000 square feet of shopping to be developed by a consortium including Heron Corporation, Boots, Woolworths and Debenhams, has still not been finalised. The council has been asked, in addition to land with an estimated value of £2.9m. which it has already put in, to provide a further £2.8m. to purchase the rest of the site. The council decided on Wednesday night to continue discussions on the basis that it would contribute the extra £2.8m., but there are other details to be agreed and the necessary compulsory purchase orders run out in February.

David Lewis sale in Oxford Street

On an island site between Great Chapel Street and Dean Street, the freehold interest in Nos. 91-101 Oxford Street, London, W.1 has been sold to one of the large insurance companies for around £1.25m. The building is 20 years old, almost opposite Bourne and Hollingsworth, on a busy but by no means the best part of Oxford Street. There are five shop units—tenants ranging *from Reed Employment to a* tobacconist and a souvenir shop, and the frontage is 80 feet. The 5,250 square feet of offices on three upper floors are let to booksellers Ascroft and Daw.

Rental income is currently close to £60,000 and rent reviews (a mixture of five- and seven-year ones) fall in on most of the leases within the next four years, with the office lease due for review in 1979. While just completed, terms on the deal were agreed pre-MLR rises, but the initial yield indicates the willingness of institutions during last summer to go to low initial yields where significant reversions could be anticipated.

Results of the third RICS-FT Business Indicators poll will be published next Friday.

Anthony Lipton and Co. acted for the purchaser and Melvin *Wilkinson and Co. for the seller,* the David Lewis Group.

Just north of here, in Charlotte Street, one of London's great eating houses, over many decades, for the impecunious intelligentsia, Schmidt's, has changed hands. The restaurant did not long survive the death of the formidable old patron and now the portfolio of properties, taking in 33 to 41 Charlotte Street and all the space behind back to Charlotte Place, plus 32 Charlotte Street on the other side of the road, has gone for a total around £600,000. The buyer of the main block, which accounted for around £½m., is an unnamed catering company and the intention is to convert the buildings into three restaurants and an hotel.

Big Paris letting

Working for Acrecrest Group, in which Phoenix Assurance has a stake, Weatheralls France has let the whole of a 7.700 sq. metre building at 7 Rue de Teheran in the 8th Arrondissement. The taker is food conglomerate B. S. N. Gervais Danone. Acrecrest, through a subsidiary Societe Seze, refurbished the building and were asking a rent of F850 a sq. metre.

They apparently got close to this, and Weatheralls' Peter Buttery states that the rent is an indication that there is still a genuine demand for the big units in good locations.

Weatheralls were sole agents for Acrecrest and this was the latest of a series of transactions for the group. Others have included the Marks and Spencer letting at 35/41 Bd. Haussmann and 4,000 sq metres of offices let to the Credit du Nord at the same address. There are three more Acrecrest office buildings currently being marketed in Paris, all in the 9th Arrondissement.

OUT AND ABOUT

● As well as confirming that the further £6.5m. sale in the Croydon Centre—mainly the Nestle Company's offices—has gone through, British Land has completed two more sales.

Fitzhardinge House, on the corner of Portman Square and Baker Street, London, is now wholly disposed of. The development included 65 flats as well as shops, showrooms and offices, and the residential element was sold (the disposal was by a sale of the ground lease for a nominal rent) for £1.85m. in 1973. Now the commercial residue, the tenants including Commercial Union and the United Bank of Kuwait, has been sold to Legal and General Assurance (Pensions Management) for £1.5m.

In Liverpool, 25-25a Church Street, and 8 and 12 Williamson Street, a mainly freehold but partly leasehold investment, has been sold to a fund represented by Healey and Baker for over £1m. Tenants include "K" Shoes and MGM Properties. This was a site originally held for development, but then relet.

● E. Laxon and Co., subsidiary of Wheatsheaf Distribution and Trading, has completed a sale and leaseback on its new warehouse at Boyatt Wood, Chandlers Ford, Eastleigh, near Southampton. The 110,000 square feet has been purchased by institutional clients of Jones Lang Wootton for around £1.4m. on the basis of a leaseback to Laxon's at £120,000 a year. Healey and Baker acted for Laxon.

● A September valuation has knocked £8m. (down from £15m. to £7m.) off the 1973 value of the Proprietors of Hay's Wharf freeholds and leaseholds held by subsidiary London Bridge Properties. The buildings are mainly in the Tooley Street area which was to have been part of the redevelopment scheme. The valuation is stated to ignore any development value and about 20 acres of development land awaiting planning permission owned by Hay's Wharf close to Tooley Street is not included, this being kept in the books at its historical cost of £2.6m. Hay's Wharf's properties elsewhere in the U.K., all industrial or warehouse, have not been revalued since 1973 and the company thinks they have maintained about the same value, plus additions at cost.

● RHM Bakeries (Scotland) have sold their building at 4/8 South Charlotte Street, Edinburgh to Electricity Supply Nominees, subject to a leaseback to RHM on part of the ground floor and basement. Richard Ellis acted for RHM and St. Quintin, Son and Stanley, in this case, for the ESN and St. Quintin will continue as project managers of a refurbishment to produce 15,800 square feet of offices by Christmas 1977.

Also in Edinbugh, James Ross and Son (Edinburgh), confectioners, has moved from Roseburn Street to a new 33,000 square feet factory at the Pentland Estate, Loanhead. Its 31,000 square feet in Roseburn Street has been disposed of in three sections to Purdie and Kirkpatrick, Lothian Refrigeration and the Clydesdale Bank, the total being around £130,000. Kenneth Ryden and Partners acted for James Ross. Webster and Co. acted for Clydesdale.

● Marks and Spencer has agreed to lease 24,000 square feet of the 70,000 square foot Medway Distribution Centre being developed by ICFC Developments in partnership with Gillingham Council. Construction has just started and the M. and S. agreement is said to be close to the asking figure of £1.50 a square foot. The scheme is due for completion in late summer 1977. Prevezer and Company advised Marks and Spencer and Donaldsons are sole letting agents.

Donaldsons also report that at Lowfield Heath, by Gatwick Airport, where they arranged finance for a 40,000 square foot Mackenzie, Hill scheme, Littlewoods Organisation has taken 20,000 (completed) sc at close to £1.95p a so Richard Ellis is joi agent. Rents appear to firm around the air some asking prices up But there is a lot of the pipeline: If one the Crawley and Horl there is half a milli feet of speculative wa going up around Gat that does not include Aviation Authority' Village within the air

The triangular 160,000-sq.-ft. office block and circular conference centre, the two buildings which have taken up most of the £25m. investment by Wembley Stadium, a Rediffusion Holdings subsidiary (and in turn controlled by BET), to improve its spare land. Kellogg International Corporation, part of Pullman Kellogg of Houston, chemical engineering contractors, has leased the office space for around £900,000 a year. It will be the HQ for Kellogg's Eastern Hemisphere administrative group and is quite an investment in Britain (staff total will be 800, but the building allows plenty for expansion) for a group which get of its work here. Tarmac Internation taken Kellogg's present base, the 94 sq.-ft. gross Oldham Estates block in Chiltern Street, London, W.1, at aro £7 a sq. ft. for the office accommoda This was the building on which Kello to spend £150,000 making HAC tests, it passed them all and Kellogg state t was definitely not the reason for thei Kellogg were introduced by Douglas and Co., consultant surveyors to We Stadium. Strutt and Parker, and Jon Wootton were letting agents on Chi Street.

INDUSTRIAL AND BUSINESS PROPERTY

AN INDUSTRIAL PROPERTY MARKET PLACE

Battersea, S.W.8. Factory for sale 11,000 sq.ft.
Barking, Essex Warehouse units to let 9,000 – 52,000 sq.ft.
Bedfont, Middx. Warehouse units to let 15,000 – 42,000 sq.ft.
Colnbrook, Berks. Warehouse to let/for sale 100,000 sq.ft.
Langley, Bucks. Warehouse to let 30,200 sq.ft.
Nr. Gatwick Airport, Sussex Warehouse units to let 10,000 – 50,000 sq.ft.
Newmarket, Suffolk Warehouse units to let 3,000 – 60,000 sq.ft.
Runcorn, Cheshire Factory/Warehouse for sale/to let 454,000 sq.ft.

A Complete Advisory service on all Industrial matters – Internationally

JONES LANG WOOTTON
Chartered Surveyors
International Real Estate Consultants
J.L.W. Industrial Dept. 33 King Street London EC2V 8EE Telephone 01-606 4060 Telex 885557

29 Offices in 15 Countries

A fine blend of the old and new

These offices, which occupy a position mid way between the City and the West End, have been completely modernised.
* Carpeted * Lift * Central Heating

9-13 Cursitor Street, London, EC4.

7,830 sq. ft. TO LET

For details contact Roger Dean at the sole agents

Strutt & Parker
13, Hill Street, London W1X 8DL Tel: 01-629 7282

CHESSINGTON·SURREY

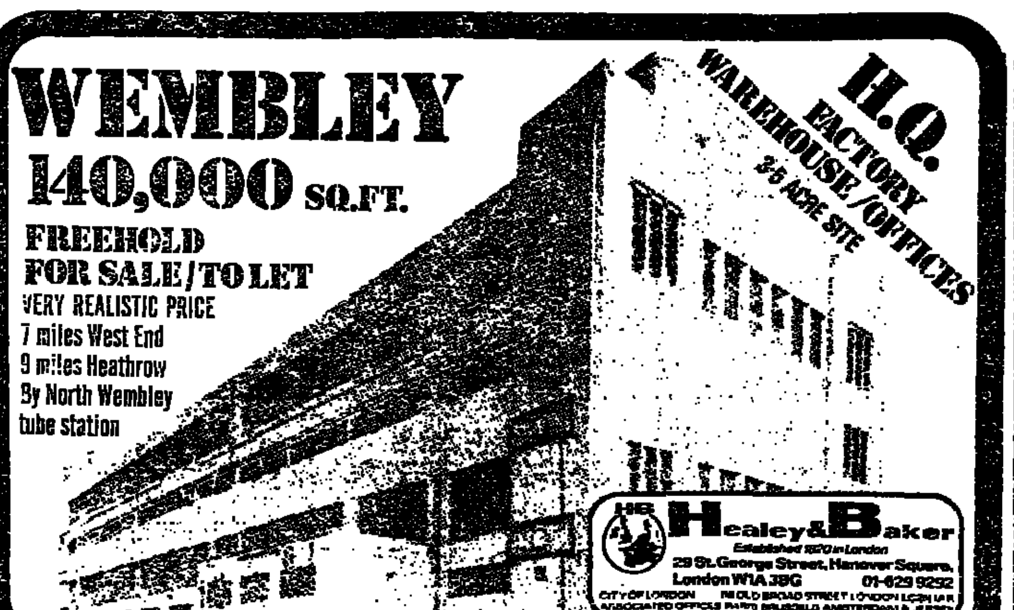
Modern Factory, Warehouse & Offices
98,000 sq ft to Let (or Units from 23,320sq.ft.) or Lease for Sale

FULLER PEISER 01-353 6851

WEMBLEY

140,000 SQ.FT.
FREEHOLD FOR SALE/TO LET
VERY REALISTIC PRICE
7 miles West End
9 miles Heathrow
By North Wembley tube station

H.Q. FACTORY WAREHOUSE/OFFICES 3½ ACRE SITE



Healey & Baker
29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292

LONDON N.22

Partly new and mainly single-storey
FREEHOLD FACTORY PREMISES
53,000 sq. ft.
For Sale at Realistic Price

LEOPOLD FARMER & SONS
15 JOHN STREET LONDON WC1N 2EB Telephone 01-404 5871

BUILDING LAND ON WEST COAST OF SCOTLAND

Superb situation with extensive frontage to Loch Fyne. Main services already installed. Planning permission for forty houses.
Full details:—
N. H. MORRISON LTD., 42-44 Saltoun Street, Glasgow. Tel: 041-334 2215

ISLE OF MAN
RAMSEY
FREEHOLD SHOP AND OFFICE SITE
Prime Situation. 50' x 36' 6" Near Liptons, Co-Op, Lloyds, Barclays, etc.
Write Box .... Financial Times, 10, Cannon Street, EC4P 4BY.

'ELIXWETSOF'

Whatever country you come from, 'Felixstowe' as we know it here has become one of the United Kingdom's most enterprising ports. It also offers one of Britain's most prestigious fully air conditioned office blocks, part of which has already been let. For full details contact Joint sole agents

A British Anzani development

GRANT & PARTNERS 50 Mount Street London W1Y 5RE Tel: 01-629 8501

Debenham Tewson & Chinnocks 44 Brook St., London W1Y 1YB Tel: 01-408 1161 Telex 22105

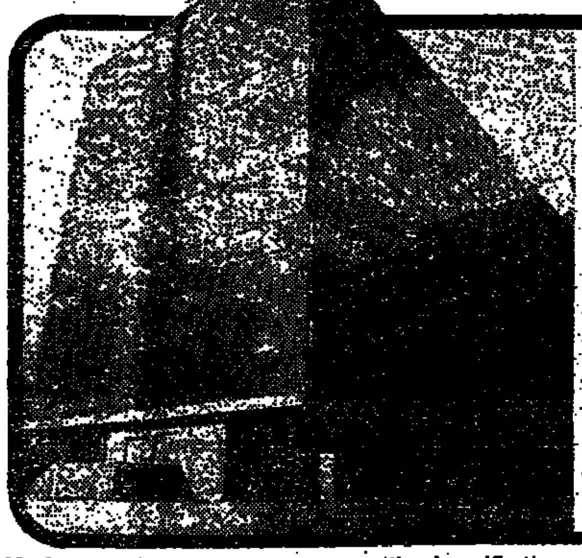
ST. JAMES'S S.W.1.

Self-contained Office building
8,090 sq.ft. approx.

Central Heating · Carpeted · Part air-conditioned
Redecorated throughout · Lift · Excellent natural light

Healey & Baker
118 Old Broad Street, London EC2N 1AR Telephone 01-628 4361

JONES LANG WOOTTON
Chartered Surveyors
103 Mount St. London W1Y 6AS Tel: 01-493 6040. Telex: 23858



A Bristol Office.... with a touch of Glass

Temple Way — fronting the Inner Circuit Road, provides fine carpeted offices with a striking all glass external cladding.

Newly completed and finished to an exceptional specification which includes four lifts, gas air conditioning and full lighting. Temple Way offers 80,000 sq.ft. to let as a whole or as two self contained blocks, one on 6 floors totalling 54,000 sq.ft. and the other on 4 floors totalling 24,000 sq.ft.

For further details contact sole agents:
LALONDE BROS & PARHAM
64 Queens Road, Bristol BS8 1RE Telephone: 0272 27731

Borax House Carlisle Place London SW1

About 300 yds. from Victoria Station
Magnificent offices on Ground and First floors totalling approximately 9517 sq ft. On-site car parking
To be let

Sole letting agents
Debenham Tewson & Chinnocks
Chartered Surveyors
44 Brook Street London W1Y 1YB
01-408 1161 Telex 22105

PROPERTY APPOINTMENTS

Property People since 1899

INDUSTRIAL NEGOTIATOR

A young and enthusiastic Commercial Agency Negotiator is required for our City Office dealing with industrial sales and lettings in London and the Home Counties. If you have a good working knowledge of the agency principle, and have experience of an active industrial department, then we are likely to offer you an interesting position with a fast growing Agency Department. There will be a great deal of scope for you to act on your own initiative and create higher earnings. If you are looking for a new start for the New Year please contact Michael G. Bunney, FRICS, ARVA, for an early appointment.

Bairstow Eves
Telephone 01-628 1351

FACTORIES & WAREHOUSES

BELLINGHAM, S.E.6.
New Warehouse Unit 5,000 sq. ft. TO LET

BOREHAM WOOD, Herts.
New Warehouse (can be divided) 52,450 sq. ft. IMMEDIATE OCCUPATION—TO LET

ERITH, Kent
New Warehouse 66,000 sq. ft. on 6 Acres TO LET

LONDON, E.C.1.
Modern Industrial Premises 4,786-10,630 sq. ft. TO LET or LEASE FOR SALE

LONDON, N.W.10.
Two Storey Factory/Warehouse 31,240 sq. ft. FOR SALE FREEHOLD or TO LET

LOUGHBOROUGH
New Warehouse Units 6,000 sq. ft.—12,000 sq. ft. and 2,850 sq. ft. TO LET

PLYMOUTH, Devon
Factory 51,760 sq. ft. FOR SALE FREEHOLD

SOUTHAMPTON, Hants
Factory 108,00 sq. ft. Site area 7.3 acres FOR SALE FREEHOLD

King & Co
Chartered Surveyors
1 Snow Hill London EC1
Tel: 01-236 3000 Telex 88...
Manchester Leeds Brussel...

By direction of the Anglia Building Society

A fully equipped freehold
COMPUTER CENTRE WITH OFFICE ACCOMMODATION

NORTHAMPTO...

Net floor area 15,148 sq. ft.
Full Gas fired Central Heating.
Standby emergency generator.
Air conditioned computer area 2,566 sq. ...
V.D.U. outlets on each floor.
Fully fitted, ready for immediate use.
Price £175,000.

Hawkins & Co., 1, Guildhall Road, Northampton. Tel: 0604 21836.
Phelan & Aquiter, 18 Market Square, Northampton. Tel: 0604 32322.
R. L. Lowery & ..., 31, Bridge Stre..., Northampton. Tel: 0604 2156...

Modern Offices South Har...

● 200 yards from Piccadilly Line Underground S...
● 15,000 sq. ft. (on two floors) £4.99 per sq. ft.
Subject to contract

CONWAY RELF 01-629 9100
COWDREY, PHIP... & HOLLIS 360 Neasden Lan... Tel 01-450...

WANTED

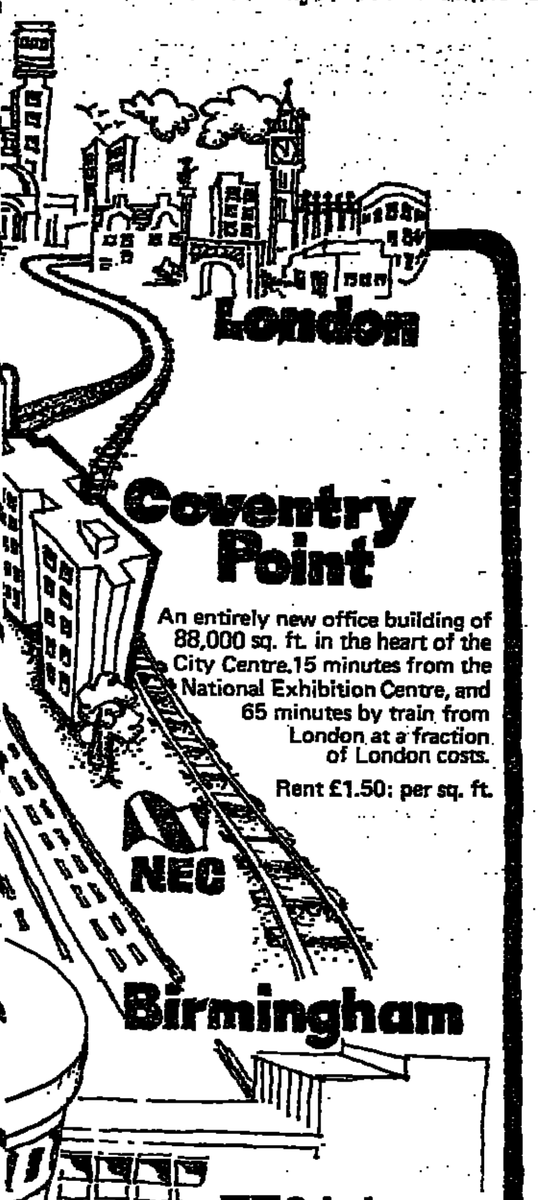
TO LEASE OR PURCHASE, 30-50,000 SQ. FT. FACTORY

with adequate services for conversion to ... canning plant and with ample room for expa...
Our client would consider the purchase of an ex... canning plant with cold store facilities.

SILVER ESTATES LTD., (Industrial Department), 11 Crescent Parade, Uxbridge Road, Hillingdon, Uxbridge, Middlesex

Offices
Office sites
Factories
Warehouses
Telephone: 0733-68931 Ext326
Chief Estate Surveyor
Peterborough Development Corporation
PO Box 3 Peterborough PE1 1UJ

مكتبة جبل الأحمر



An entirely new office building of 88,000 sq. ft. in the heart of the City Centre. 15 minutes from the National Exhibition Centre, and 65 minutes by train from London at a fraction of London costs.

Rent £1.50: per sq. ft.

Grimley & son

...ard Erdman

Robinson Osborne & Moules

By Direction of SKF (UK) Ltd.

Luton 380,000 sq.ft.

Mainly Single Storey Industrial Space
Including Prestige Offices
Canteen/Leisure Facilities

For Occupation or Industrial Estate Refurbishment and Development
(Subject to Planning)

Close to first class road and air facilities

Details from Joint Agents:

...EVE... 40 Mill Street Bedford (0234) 67301

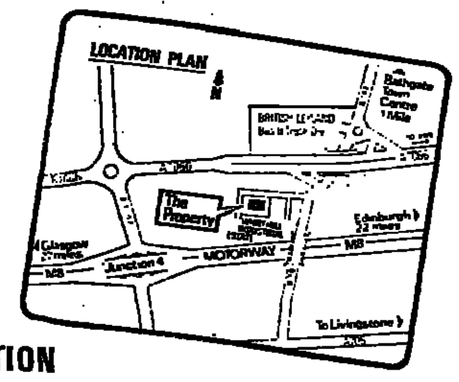
SAVILLS 20 Grosvenor Hill, Berkeley Square, London W1X 0HQ. Tel: 01-499 8644 Telex 263796

CENTRAL SCOTLAND
BATHGATE West Lothian.
200,000 sq. ft.

Modern Warehouse on 14 acre site
EXCELLENT MOTORWAY CONNECTIONS

Close to M8 giving access to M9, M90 & M74

TO LET



★ HEADROOM 23 ft.
★ LARGE YARD AREAS
★ READY FOR OCCUPATION
★ 500 LBS/P.S.F. FLOOR LOADING
★ 12 LOADING DOORS
★ WEIGHBRIDGE 40 TONNE
★ EDINBURGH 22 MILES. GLASGOW 27 MILES

Joint Sole Agents

BERNARD THORPE & PARTNERS 36 GEORGE STREET EDINBURGH EH2 2LG Tel 031-226 4484

Chamberlain & Willows Estate Agents · Surveyors · Valuers 23 MOORGATE LONDON EC2R 6AX 01-638 8001

A DEVELOPMENT BY ARGYLE SECURITIES LIMITED

A shop and office development in the town centre

The Fairfield West Development

Kingston-upon-Thames

SELF CONTAINED OFFICE BLOCK

IMMEDIATE POSSESSION

30,300 sp. ft. ON SIX FLOORS OF 5,050 sq. ft. approx.

Finished to a high standard **TO LET**

* Separate entrance at street level * Three private lifts * Full heating & Air conditioning * Fully carpeted throughout * Telephone trunking * Ample electric power units * Car parking within the building on contract

Joint Sole Agents:

Edward Erdman

Harvey and Wheeler

BONSOR PENNINGTONS Warwick Lodge, 82 Eden Street Kingston upon Thames, Surrey Telephone 01-546 0022

...STMINSTER SW1 modern ...eadquarters building

suitable for warehouse ...istribution and offices. ...arking Covered loading bay ...oor area 31,500 sq.ft. ...ale freehold (might be let)

...OINT SOLE AGENTS

...J LEVY ...930 1070 ...a, 130 Jermyn Street, ...on SW1Y 4UL

Weatherall Green & Smith 22 Chancery Lane WC2A 1LT 01-405 6944

Finchley London N3

To be let

Office Headquarters 36,000 sq ft

set in unique landscaped grounds Ancillary accommodation of 13,500 sq. ft. including a superb lakeside restaurant block.

Extensive on site parking

Debenham Tewson & Chinnocks Chartered Surveyors ... 01-236 1520

Central Electricity Generating Board Sudbury House 15 Newgate Street London EC1A 7AU 01-248 1202

Great Winchester Street EC2

Air conditioned Offices TO LET

3,500–24,000 sq.ft. approx.

Joint Sole Agents

Richard Ellis Chartered Surveyors 64 Cornhill, London EC3V 3PS Telephone: 01-283 3090

Knight Frank & Rutley 7 Birchin Lane London EC3V 9BY Telephone: 01-283 0041

...0,000 sq. ft. OFFICES

now available

E.C.3.

...dditional space available in 1978

...WRIGHT ...r Street, ...283 5103

CONRAD RITBLAT & CO. Plantation House, Fenchurch Street, E.C.3. Tel: 01-623 7747

HODDESDON

NEW PRESTIGE FACTORIES & WAREHOUSES

READY FOR IMMEDIATE OCCUPATION

★ 40,500 SQ. FT. WAREHOUSE/FACTORY. Standing on own 1.75 acre corner site with extensive car parking and vehicle manoeuvring areas. Warehouse 37,030 sq. ft. Office block on three floors 3,470 sq. ft. Eaves height 23 feet.

★ 30,000 SQ. FT. FACTORIES AND WAREHOUSES. Comprising four units ideal for single tenant or would divide in multiples from 7,500 sq. ft. Planned with loading and car parking on to a central concourse. Eaves height 19 feet 6 inches.

★ 10,000 SQ. FT. FACTORY/WAREHOUSE. Comprising S/S factory/warehouse 8,500 sq. ft., together with two storey offices, W.C.'s and reception of 1,500 sq. ft. Eaves height 19 feet 6 inches.

Full particulars from Sole Agents

DERRICK WADE & WATERS HARLOW 39191-4

ALLIANCE HOUSE WESTERN AVENUE W.3

★ 14000 sq ft OFFICES.
★ 55 car parking spaces.
★ TO LET in whole or in floors.
★ Only £4·50/ft² p.a.

Healey & Baker 29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292

Teacher, Marks & Company 11/12 Hanover Street, London W1R 0HP Tel 01-499 5255

BY DIRECTION OF Crompton Nettlefold Stenman Ltd

FOR SALE

Modern Freehold

SINGLE STOREY FACTORY

WITH LAND FOR EXPANSION

Convenient for Motorway network—within 1 mile of M6 and less than 300 yards from A580

HAYDOCK

Midway between Manchester and Liverpool

OVER 80,000 SQ. FT. ON SITE OF 12 ACRES

Joint Agents:

CHESSHIRE, GIBSON & CO. 63 Temple Row BIRMINGHAM B2 5LY (021-643 9351)

W. H. ROBINSON & CO. 79 Mosley Street MANCHESTER M2 3LP (061-228 6411)

...le Industrial Estate ...ABY — CLEVELAND

FOR SALE

...ECENTLY ERECTED ...LE STOREY FACTORY

...r Area: 178,250 SQ. FT.

* Pleasant environment.
* High quality construction.
* Excellent servicing facilities.

Joint Agents:

...INS & PARKER ...reland Centre, ...oad, Middlesbrough, ...d. TS1 2PW. ...0642 48301.)

W. H. ROBINSON & CO., 79 Mosley Street, Manchester, M2 3LP. (Tel.: 061-228 6411.)

Institutional Funds now available

from 7 to 15 years.

Standing Mortgages on prime Investment Properties

—Interest Only—

Minimum Loan £100,000

Inquiries to:

Hirsch Mortgage (International) Ltd.

Advisers to the Association of Industrial Development Officers

15 Berkeley Street London W1. Tel: 01-629 5051 Telex 28374

SURVEYORS, VALUERS AND FACTORY AGENTS

G.J. Hersey & Partners 116, College Road, Harrow HA1 1HH 01-427 7441

Now on reduced terms

18,000 sq. ft.

Air-conditioned offices

Extensive ground floor display frontage

15 Lower Regent Street, SW1

Ideal Banks, Airlines, Tourist Office etc.

Sole Agents

Leavers 36 Bruton Street London W1X 8AD Telephone 01-629 4261 01-493 2012 Dublin Edinburgh Madrid Valletta Cannes

---

DENTIAL BUILDING LAND

HASTINGS

31 ACRES

OUTLINE PLANNING CONSENT

FOR SALE

Apply: CLIVE LEWIS & PARTNERS, 16 Stratton Street, London W1X 5FD. Tel: 01-499 1001 Telex: 27382

WAREHOUSE/FACTORY AND OFFICE PREMISES FOR SALE FREEHOLD OR RENT

PARK ROYAL ROAD, ACTON

TOTAL AREA ABOUT 34,400 SQ. FT.

Close Western Avenue A40 and North Circular Road, A406 in whole or partitions of about 5,000 sq. ft. Warehouse rent about £1.25 sq. ft. Offices about £2.50 sq. ft. plus rates. Ceiling about 14 ft. will be fully reconditioned. Write Box F.480, Financial Times, 10, Cannon Street, EC4P 4BY.

MAIDSTONE, KENT

½-mile from M20

NEW WAREHOUSE AND FACTORY UNITS

TO LET

1.	8,707 sq. ft.	5.	6,860 sq. ft.
2.	Under Offer	6.	Under Offer
3.	6,860 sq. ft.	10.	12,000 sq. ft.
4.	6,860 sq. ft.	15a.	14,400 sq. ft.

Further Land for Units to Tenants requirements

Details—

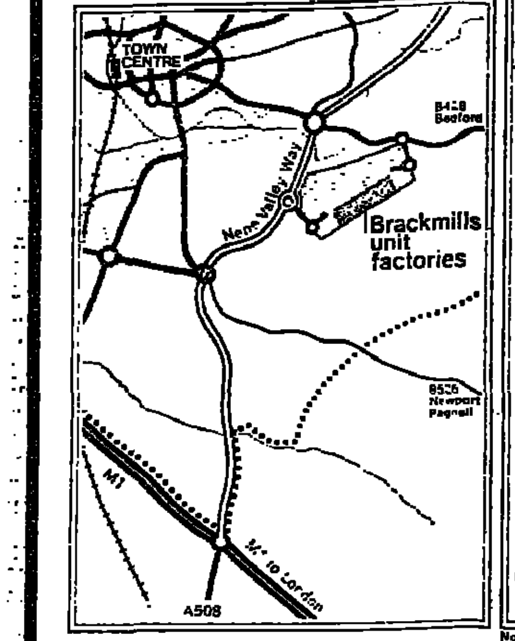
KING & CO. Chartered Surveyors 1 Snow Hill London EC1A 2DL Tel: 01-236 3000

WALTER & FORKNALL 30/32 King Street Maidstone Kent Tel: 0622 57225

LOOK....LOOK....LOOK....LO

Unit factories Northampton

3000-40 000 sq. ft ready Summer '77



But here's a sign of confidence . . .

New factories costing £900,000 on the way

ANNOUNCING the start of work on £900,000 worth of new factories in the southern area of the town, Northampton Development Corporation said today the decision to go ahead was "a sign of confidence in our ability to attract more new industry to the town."

Work will begin next Monday on 110,000 square feet of unit factories on Brackmills employment area.

The factories will be built on the southern boundary of the employment area beside Houghton Hill and there will be 11 units—varying in size from about 3,000 square feet to 20,000 square feet.

The units have been designed by Northampton Development Corporation's Department of Architecture and Planning, and the contractor will be Balfour Beatty Construction Ltd., a member of the BICC group. The work will be phased over about a year, the largest units being completed first.

This will be the first phase of unit factories on Brackmills, and a further 20 units, totalling about 160,000 square feet, are planned later. The total site area is about 17 acres.

The factories will be finished in aluminium — white vertical cladding over the top of the doors and blue for the roofing. The cladding on ground to door levels will be of light grey blockwork.

To date the Development Corporation has built about 450,000 square feet of unit factories on its employment areas, and they have proved very popular.

"We have an excellent track record," said a spokesman. "At present only three units are available for letting, otherwise all are taken."

The first phase units at Brackmills comprise two of about 20,000 square feet; four of 12,500 square feet; three of 5,000 square feet; and two of nearly 3,000 square feet.

Northampton Chronicle and Echo 16 July 1976

It's only five minutes from these factories to the M1 and then you're only 20 miles from the M1/M6 junction. Northampton's an ideal centre for distribution because it's mid-way between London and Birmingham; most of the country's major towns, ports and airports are within a radius of 100 miles of it too. Northampton's an established town, with excellent shops, schools and leisure facilities. There are plenty of houses for sale and we can offer new rented homes to the employees of firms moving to the town.

Isn't it time you looked at Northampton?

For detailed information about the new unit factories, and other opportunities for sites and buildings write to L Austin-Crowe BSc FRICS, Chief Estate Surveyor, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734.

Up to 4,350 sq ft of prestige office accommodation

Eastcote, Middx.

*Passenger Lift *Central Heating *Fully Carpeted Office Areas *Car parking

Leighton Goldhill & Partners
123 New Bond Street, London W1Y 0LU Telex: 264272
Telephone 01-493 3211

Richard Ellis
Chartered Surveyors
6/10 Bruton Street, London W1X 8DU
Telephone 01-499 7151 Telex Bruells 262498

REQUIRED URGENTLY
14,000 s.f.
MODERN WAREHOUSE INCLUDING
2,000 sq. ft. OFFICES
IN READING
FOR 5-YEAR TERM

MELLERSH & HARDING
Chartered Surveyors
43 ST. JAMES'S PLACE, S.W.1.
01-493 6141

SHOPS AND OFFICES

GLEN HOUSE
STAG PLACE, VICTORIA, S.W.1.
3,965 SQ. FT.
MODERN OFFICES AVAILABLE
Lease to December, 1983
Details from:—
Neale & Alldridge,
36, Piccadilly, W.1.
Tel: 01-734 5376

EGHAM. 2,000 square feet offices to let in central position. Requires decoration and re-partitioning which is reflected in the terms to be quoted. Apply Emmitt Rathbone Commercial, 15, Clarence Street, Staines, Middlesex. TW18 4SU. Telephone Staines 51136/59471.

WINDSOR. JUST AVAILABLE. 1,625 sq. ft. of ground floor offices. Immaculate condition. In one-year-old building. Full air conditioning, double glazing, quality carpeting and available immediately at competitive rental. B. S. CAMPSIE & CO., 2, Victoria St., Windsor 69055.

WARDOUR STREET, W.1. Freehold building for sale with vacant possession totalling 1,680 sq. ft. Price £78,000. Apply sole agents: MENDOZA, 39, Crawford Street, London W1H 2BS. Telephone No.: 01-935 8341.

FOR INVESTMENT

SOUTH BUCKS
Freehold Agricultural Investment. 250 acre farm. Georgian Farmhouse and Buildings. Current income £2,000 p.a. Review September 1977.
PRICE: £70,000
Edward Turvill & Co.
163 Uxbridge Road, Rickmansworth
Tel: 78389

FREEHOLD INVESTMENTS. West Midlands. 1. Industrial unit let to Public Company at £2,500 p.a. exclusive. Early review showing initial yield of 12%. 2. Industrial unit let to Public Company at £3,250 p.a. exclusive with 5 year reviews from 1977. Present yield 12.5%. 3. Two petrol filling stations fully operational and let on long lease with regular reviews to public company at rents of £7,000 and £3,750 p.a. exclusive. Yield 13%. Available as individual lots or as portfolio. Full particulars from Jones Martin Fleetwood, 4, Vicarage Road, Edgbaston, Birmingham B15 3ES. Tel.: 021-454 4401.

PORTFOLIO OF 4 freehold investments producing £11,500 per annum. Exclusive, 12.4 per cent. yield. Jones, Martin, Fleetwood, 4 Vicarage Road, Edgbaston, Birmingham, B15 3ES. 021 454 4401.

BLOCK 84 NEW STUDIO FLATS for sale by builder £450,000. Will lease back £40,000 p.a. FRI. 35 years. Highest Bankers references available. Phone 0323 892560.

WANTED

BLOCKS OF HOUSES or Flats let to controlled or regulated tenants wanted for cash. Agents or liquidators send details to Townbay Investments Ltd., 15, Gresham Gardens, London, N.W.11.

BUILDING LAND AND SITES

NEAR NEWBURY
SITE OF 8 ACRES FOR SALE
Benefit of certificate of established use. Primarily suitable for timber and allied trades or commercial use with a rural bias; mobile home manufacturers, etc.
Outline P.P. Plus IDC for 36,000 sq. ft. 1st phase: 25,000 sq. ft. 2nd phase.
RURAL LOCALITY
For further details apply:
JACKSON-STOPS & STAFF,
20 Bridge Street, Northampton
Tel: 32991/4
Or
JACKSON-STOPS & STAFF,
Dollar Street House, Cirencester
Tel: 0285 3334

COMPANY NOTICES

NOTICE OF RATE OF INTEREST
U.S. $75,000,000 Guaranteed Floating Rate Notes 1983

Lloyds Eurofinance N.V.
(Incorporated with limited liability in the Netherlands)
Guaranteed on a subordinated basis as to payment of principal and interest by

Lloyds Bank Limited
(Incorporated with limited liability in England)

In accordance with the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Limited, and Citibank, N.A. dated May 26th, 1976, notice is hereby given that the Rate of Interest has been fixed at 7¼% p.a. and that the interest payable on the relevant Interest Payment Date, May 26th, 1977 against Coupon No. 2 will be U.S.$36.45 and has been computed on the actual number of days elapsed (181) divided by 360.

By: Citibank, N.A., London.
Agent Bank

November 26th, 1976

RAND SELECTION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER
PAYMENT OF COUPON NO. 122

With reference to the notice of declaration of dividend advertised in the Press on 19th November, 1976, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of 35 cents per share was declared in South African currency. South African non-resident shareholders' tax at 5.25 cents per share will be deducted from the dividend payable in respect of all share warrant coupons leaving a net dividend of 29.75 cents per share. The dividend on bearer shares will be paid on or after 30th December 1976 against surrender of coupon No. 122 detached from the share warrants to bearer as under:—

(a) At the offices of the following continental paying agents by residents of the countries concerned for payment in the appropriate local currency:
Credit du Nord et Union Parisienne, 6 & 8, Boulevard Haussmann, Paris 9e
Morgan Guaranty Trust Company of New York, 27, Avenue des Arts, Brussels 4
Union Bank of Switzerland, Bahnhofstrasse 45, Zurich
Swiss Bank Corporation, 1, Aeschenvorstadt, Basle

Payments in respect of coupons lodged at the offices of a continental paying agent will be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the continental paying agent. Instructions regarding disposal of the proceeds of the payment so made can only be given to such authorised dealer by the continental paying agent concerned.

(b) At the London Bearer Reception Office of Charter Consolidated Limited, 40, Holborn Viaduct, London EC1P 1AJ. Unless persons depositing coupons at such office request payment in rand to an address in the Republic of South Africa, payment will be made in United Kingdom currency either:

(i) in respect of coupons lodged prior to 17th December 1976, at the United Kingdom currency equivalent of the rand currency value of their dividend on 21st December 1976.

(ii) in respect of coupons lodged on or after 17th December 1976, at the prevailing rate of exchange on the day the proceeds are remitted through an authorised dealer in exchange in Johannesburg to the London Bearer Reception Office.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturdays excepted) between the hours of 10 a.m. and 2 p.m.

United Kingdom income tax will be deducted from payments in United Kingdom currency in respect of coupons deposited at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue declarations. Where such deduction is made, the net amount of the dividend will be ... per share arrived at as under:—

	Cents per share
Amount of dividend declared	35
Less: South African non-resident Shareholders' tax at 15%	5.25
	29.75
Less: U.K. income tax at ...% on the gross amount of the dividend of 35 cents	7.00
	22.75

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. Greensmith

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

NOTE: The Company has been requested by the Commissioners of Inland Revenue to state:

Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax deducted from the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of ...% instead of at the basic rate of ...% represents an allowance of credit at the rate of 15%.

...th November, 1976.

BRASILVEST S.A.
Sociedade de Investimento DL No. 1401
NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that the Directors of the Company have resolved that the interim dividend of Cr$0.20 per share of the Company in issue at 25th July, 1976 should be paid forthwith in United States dollars. After deduction of Brazilian withholding tax at a rate of 15 per cent, and the Depositary's expenses of US$0.01 per Depositary Share, the amount payable in respect of each Depositary Share is US$132.38. Holders of Depositary Shares (Second Series) are not eligible for this interim dividend, but will be eligible for the final dividend in respect of the current fiscal year ending 31st March, 1977, which will be paid in or about July 1977.

The interim dividend will be available on or after 29th November 1976 to holders of the relevant International Depositary Receipts on surrender of Dividend Coupon No. 1 at any of the Paying Agents: Morgan Guaranty Trust Company of New York, Avenue des Arts 35, 1040 Brussels; 23 Wall Street, New York N.Y. 10015; 33 Lombard Street, London E.C.3; Stockerstrasse 38, CH-8022 Zurich.

Copies of the audited accounts of the Company for the six months ended 30th September, 1976 are available on request at the offices of the above Paying Agents.

TO THE SHAREHOLDERS IN AUSTRALIAN MINING & SMELTING LIMITED (AM&S)

To whom a take-over offer dated 27 September 1976 has been made by Conzinc Riotinto of Australia Limited (CRA)

NOTICE OF VARIATION OF TAKE-OVER OFFERS

CRA hereby varies each of the take-over offers dated 27 September 1976 made by it in respect of those ordinary shares of 50 cents each in AM&S to which CRA was not entitled at that time by extending the period during which pursuant to paragraph 3 thereof each offer will remain open for acceptance until 5.00 p.m. (Melbourne time) on 10 December 1976 in respect of holdings on the Australian registers and until 5.00 p.m. (London time) on 10 December 1976 in respect of holdings on the United Kingdom register.

The statement dated 3 September 1976 given to AM&S by CRA pursuant to the provisions of section 180C and Part A of the Tenth Schedule of the Companies Act 1961 of Victoria (a copy of which Part A statement accompanied each such take-over offer) is modified to the extent only that paragraph 3 of the form of offer attached to and forming part of the said statement is amended in like manner.

95 Collins Street,
Melbourne
Victoria, 3001.

R. H. CARNEGIE
Director
M. A. MAWBY
Director

For and on behalf of
Conzinc Riotinto of Australia Limited

Any shareholder who has already accepted the offer need not take any action in relation to this notice.

TANGANYIKA CONCESSIONS LIMITED
NOTICE TO HOLDERS OF ORDINARY STOCK DIVIDEND No. 89

NOTICE IS HEREBY GIVEN THAT the Interim Dividend ... of 4p per 50p unit of Ordinary Stock for the year ending 31st December, 1976, will be paid on or after ... to Stockholders registered in the books of the Company ... and to holders of Stock Warrants to Bearer ...

[illegible]

BAHAMAS INTERNATIONAL TRUST COMPANY LIMITED
Dated ... November, 1976
Nassau,
Bahamas.

INTERNATIONAL PROPERTY

For Sale
CITY CENTRE
HAMBURG

Office block, 100 yards from Mönckebergstrasse, approx 80,000 sq. ft. lettable area, vacant early 1977. Price DM 14.5m. Also to let at approx. DM 1.50 per sq. ft. per month.

Sole agents:

Walter Hölscher
Erlenkamp 27
2000 Hamburg 76
Western-Germany
Tel. 0104940/22 30 63-66

FIABCI

Ernst Zobel KG
Klärchenstrasse 12
2000 Hamburg 60
Western-Germany
Tel. 0104940/460 20 21

OFFICE OF THE NOTARY ANDRE SCHEYVEN
8 rue du Moniteur, 1000 Bruxelles - Tel: 02/219.11.14
On Wednesday, 8th December 1976 at 2.30 p.m. in the salesroom of the Notaries, rue de la Montagne, 30-32, 1000 Bruxelles.
Notary André Scheyven will sell outright by public auction
A COMMERCIAL PROPERTY
in the town of Brussels
"L'ANCIENNE BELGIQUE"
situated: rue des Pierres, 15-23 boulevard Anspach, 114-116 and rue de la Chaufferette, 12, upset price: FB 10,000,000.
surface area: 16 ares, 90 centiares divided in 2 lots:
LOT I: Music-Hall with annexes rue des Pierres, 15-23 and rue de la Chaufferette, 12
LOT II: Restaurant—Snack-bar with Kitchens and offices boulevard Anspach 114-116 and rue de la Chaufferette, 12
Furniture and stock-in-trade are included in the sale.
THE PROPERTY IS UNOCCUPIED
Visits: Wednesdays & Saturdays from 2 pm to 4 pm Information from the Office of the Notary

PRINCIPALITY OF MONACO
FOR SALE
NEW BUILDING—4,300 sq. m.
WITH GARAGES
Situated on sea front boulevard
New centre
Suitable as Head Office (numerous advantages)
INVESTMENT SECURED THROUGH LETTING
PRICE: Frs. 31,000,000
PASQUIER CONSTRUCTEUR,
12, rue Princesse Caroline, Monte-Carlo.
Tel: (93) 50.87.19.

WEST GERMANY/MANNHEIM
7 stories apartment—and business block, best residential area, 7 shops, 240 apartments, all rented, swimming pool, sauna, garage space for 100 cars, about 120 metres frontage. Rental income, per year approx. 1.1 million DM.
Selling Price: 14.5 million DM (negotiable).
KVI Immobilien, West Germany, 68 Mannheim 1, Otto-Beck-Str 28
Tel. 0621/402782

UNITED STATES
88 WOODED ACRES—16 ACRE PRIVATE LAKE
Beautiful stone home and charming guest-boathouse only 1 hour from New York City. Perfect for use and investment. Unusually low price of $250,000. Confidentiality respected.
COMAIN CORPORATION,
Real Estate Investments, 342 Madison Ave., New York, N.Y. 10017 USA
Telephone: (212) 687-8212. Cable: COMAIN NEWYORK

PARIS
REAL ESTATE INVESTMENT
MR. NUGERON
113 ter avenue
Charles de Gaulle
92200 - NEUILLY
Telephone: 745.08.71,
will be pleased to help you on real estate matters.

HEART OF BRUSSELS. For sale, entire newly built office block for letting. High income + increase of value. Write or call: B.I.C.I., 206 avenue d'Auderghem, 1040 Brussels. 02.647.97.81-02.733.71.46.

HOTELS AND LICENSED PREMISES

OXON, Near Henley
Centuries old country free house and club of traditional brick construction with lattice windows. Lounge/Bar, Restaurant, fully equipped kitchen, self-contained club, with a capacity of 125 and a 2a.m. licence, 4 beds., etc., car park 70/80 cars. 1.5 acres, cottage in need of renovation, enormous unexploited potential. £120,000 freehold. SAV. Lovells, 92 High Street, Marlow, Bucks. Tel: 72339.

HERMAN HILL, WANSTEAD
FOR SALE
Site for FLATS
DETAILED PLANNING CONSENT FOR 14 FLATS
£45,000
(Subject to Contract)
For full details:
CLIVE LEWIS & PARTNERS
16 Stratton Street,
London W1X 5FD
Tel: 01-499 1001
Telex: 27382

SEAFRONT FLAT SITE
BOGNOR REGIS, West Sussex
Detailed Planning Consent
for 4/5 storey block of
32 FLATS (2/3 beds)
FOX & SONS
41 Chapel Road
WORTHING 30121

BERKHAMSTED HERTS.
Euston 35 minutes
6,500 Sq. Ft.
NEW OFFICES
TO BE LET
Completion June 1977
R. J. Aitchison
63 Marlowe, Hemel Hempstead
Tel. 3446

Modern Single Storey
FACTORY
with first floor offices
7,500 sq. ft.
Fronting Main Road
Central heating • Good loading
ACTON NW10
EDWARD SYMMONS & PARTNERS
56, 62 Wilton Road London SW1V 1DH Tel. 01 834 8454

FACTORIES AND WAREHOUSES

S.E.16.
60,000 sq. ft.
multi-storey industrial premises at
30p. per sq. ft.
Apply:
01-606 8111
or
0494 21234

READY for immediate occupation, between Sevenoaks and Maidstone, close M20 and M25—10,000 sq. ft. and 20,000 sq. ft. with offices and ample parking. Tel. 0903 35186.

GLOUCESTER. Ready for immediate occupation. Single-storey factory/warehouse 11,500 sq. ft. including offices. Heating by oil fired blower heaters. Site area ¾-acre. Good vehicle access. Ample parking space. 6 year lease. Rent. £5,250 p.a. Tel.: 01-573 1002 (Ref. V.K.).

TO LET
FACTORY/WAREHOUSE PREMISES IN WREXHAM AREA
Approx. 38,000 sq. ft. of floor space. Is available for immediate occupation. All services are available.
Enquiries to Box T.4469, Financial Times, 10, Cannon Street, EC4P 4BY.

SLOUGH/HEATHROW Airport Borders. 18,000 square feet warehouse to let. Very competitive terms. Occupation by arrangement. Approximately 18 ft. eaves. Travelling crane. Fully heated. Apply Emmitt Rathbone Commercial, 15, Clarence Street, Staines, Middlesex. TW18 4SU. Telephone Staines 51136/59471.

CROYDON—3,000 sq. ft. freehold factory for sale, also four adjoining shops in London Road, Broad Green. Apply Sole Agents, Emmitt Rathbone Commercial, 15 Clarence Street, Staines, Middlesex. TW18 4SU. Telephone Staines 51136/59471.

HEMEL HEMPSTEAD. 18,000 sq. ft. on 2¼ acres. Warehouse with offices. Long lease for sale. Gordon Hudson, Watford 39711.

W.11 WAREHOUSE & OFFICES. 12,550 sq. ft., just off Portobello Road. Ground Floor. Freehold or might Let. FARR BEDFORD, 41, The Broadway, W.5. 01-579 5282.

BUSINESSES FOR SALE

Opportunity for a Group to control its own plastic i... moulding company, and have an investment in the future ... expanding Plastic Industry.

FOR SALE
INDUSTRIAL PLASTIC MOULD...
COMPANY
Present turnover : £2 million
Profit : Operating at small loss
Capacity: £3.5 million
Buildings: Modern—sprinklered
Ample offices and parking
Machinery : Modern

The company requires an additional £350,000 per annum o... to run profitably (in 1975 the company made a profit ... £100,000).

Enquiries from principals only will be replied to: Box T.4474, Financial Times, 10, Cannon Street, EC4P...

TO BOAT BUILDERS, MANUFACTURERS OF YACHTS AND CRUISERS
re Ulstercraft International Limited (In Receiversh...
MODERN BOAT BUILDING PL...
FOR SALE AS ONE LOT FOR CONTINUITY OF PRODUCTION CO...
LAND, having over six acres freehold site with natural water fron...
LOFTY BUILDINGS, constructed since 1974, in all approx. 10,0...
MODERN MACHINERY: WORK-IN-PROGRESS, comprising two 27f... Class hulls with superstructure, two 23ft. Iona Yachts, two 18ft. Ar... one hull and interior for Arran and one Huskie 18ft. Ski Cruiser (hull, deck and interior for Discovery, Iona and Arran boats):
TRADE AND NEW STORES, together with BUSINESS CONNECTION...
THE PLANT is located in a delightful setting on the shores of ... (250 sq. miles) approx. 6 miles south of Enniskillen, Co. Fermanag... Ireland.
INSPECTION AND NEGOTIATION by appointment with: G. F. S... & CO., Industrial Surveyors and Valuers, Lloyds Bank Buildings, 53, ... Manchester, M2 4LR. (Tel.: 061-832 8271.)

PREMISES FOR SALE
MODERN PURPOSE BUILT GARAGE SITUATED IN PROSPER... N.W. NEW TOWN
Present population 70,000 with early expansion to 100,000. T... exceeds 25,000 square feet and in addition there are open par... The main road frontage is 225 feet of which 165 feet is continuo... showroom. The building is suitable for a variety of uses (subject to ... If required, a Main Dealership is available for Ford, Chrysler or Bedford (subject to the applicant being approved by the selecte... turer). Any one of the foreign franchises is also available but the Foreign Manufacturer may seek exclusive representation.
The land and buildings are available for purchase at £225,000. A... for quoted public co. shares would be considered or a lease wi... covenant.
The Advertiser, Box E.9026, Financial Times, 10, Cannon Street,

DOMESTIC APPLIANCE DISTRIBU...
FOR SALE AS GOING CONCERN
Offers are invited for the undertaking and assets of dist... Westinghouse and Scholtes domestic appliances curren... run by the Receiver — location London.
Enquiries to:—
G. B. YEARSLEY F.C.A.
8, KING STREET, MANCHESTER M2 4LT

By Direction of the Receiver and Manager
LIGHTING MANUFACTURING COMPANY
(with other interesting products including Presswork and Paint Spraying)
For Sale as a Going Concern
- Location West Midlands, excellent access
- Premises capable of absorbing expansion or combining businesses
- Excellent Tool Room and Press Shop
- Suitable labour force
- Good outlets—expansion potential

Enquiries to:
S. GRIMLEY & SON,
2 St. Philip's Place,
Birmingham B3 2QQ
Tel: 021-236 8236

RETAI...
MOTOR TR...
DEALERS
FOR SA...
A Public Company has ... sized motor dealersh... as a going concern.
The dealership is ... South Wales and ... Vauxhall/Bedford fran...
The sale price is reali... includes the propert... Freehold.
Enquiries in writing t... Box E.9053, Financi... 10, Cannon Street, ...

BUSINESS TRANSFER AGENCY
Principal of a very reputable Business Transfer Agency situated in North London, which has been established for over 15 years and have acted as Agents in respect of the proposed sale of over 10,000 properties to the value of around fifty million pounds (£50,000,000), will consider partnership, merger or similar arrangement. Well fitted and equipped Leasehold Offices with fully trained experienced Staff. Good expanding Register of Business Instructions. Ideal proposition for multiple concern requiring a Branch Office to cover the North London, Herts and Essex Areas or Merchant Bank or similar Company wishing to diversify, etc.
For further details, Principals only, write Box T.4470, Financial Times, 10, Cannon Street, EC4P 4BY.

GRAFT-UN LI...
OFFER WORLD RIG...
BUFAYTR...
BIDS IN EXCES...
DM4 MILLIO...
to Box E.9064, Financ... 10, Cannon Street, EC...

NORTH WALES—Very ... Garage business for sale ... Showroom, workshop and ... sq. ft. with good forecourt ... Excellent car franchise ... £50,000. Further retail ... OVER, BURRILL AND O... House, Bangor, Gwynedd ... 2524.

TRAVEL AGENCY. Owne... established 39 years obli... ill health. First class pr... S.W.1. Write Box T.4... Times, 10, Cannon Stree...

PAPER FACTORY AND BUS... in Northern France proc... tonnes per year. Ref. ... Apply Bailey-Ambler Inte... Box 21, Grantham.

BUSINESSES WANTED

COMPANIES WANTED
MANAGEMENT CONSULTANCY A...
COMPUTER SOFTWARE COMPANI...
U.K. Management Consultancy wishes to purchase a ... interest in a small/medium size (turnover up ... company offering management consultancy or comp... ware services. Please send brief details to Bo... Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED TO PURCHA... FOR CASH
PRIVATE COMPANY
Investment Company would be prepared to consider 50% or more of the issued share capital, if present m... ment would continue to operate company on a ... percentage basis. The net profit should be between ... and £250,000 p.a. and situated preferably in the Mi... or North-West. Write Box T.4472, Financial Tim... Cannon Street, EC4P 4BY.

PLASTICS COMPANY WANTED
Publicly quoted group is looking for Midlands based company with interests in manufacturing or packaging, earning at least £75,000 pre-tax profits.
Cash is available as consideration for the acquisition.
Please send details in strict confidence to:
Ref. K773,
WALTER JUDD LTD.,
1a Bow Lane,
London EC4M 9EJ.

BUSINESS WAN...
CONTRAC...
SCAFFOLD...
COMPAN...
Wanted in London ...
Must be profitable and ha... premises that can deal wit... turnover. Existing staff ... retained. Box K.759, W... Limited, 1a, Bow Lane ... EC4M 9EJ.

FINE ART BUSINESSES WANTED
Advertiser wishes to acquire controlling interest in fine art businesses. Existing management to continue.
Send details, in confidence, to Box No. T.4473, Financial Times, 10, Cannon Street, EC4P 4BY.

TAX LOSS ...
COMPANY REQU...
in leather trade. Losses in ... £20,000 required
Contact:
Arthur W. Ker...
of Capital House, 141 Shoreditch High Stree... E.1. Solicitors, or tel: 01-...

Printing company required with factory in London area of 15,000 to 20,000 sq. ft.
FOR MERGER OR ACQUISITION
Turnover and profit immaterial. Strictest confidence assured.
Please write to Managing Director, Box E.8848, Financial Times, 10, Cannon Street, EC4P 4BY, or telephone 01-... 68190 any evening after 8 p.m.

LONDON BASED BR...
Part of an Internation...
are interested in contacting ... individuals not necessarily ... who consider that their ... expertise could be better u... opportunity exists to dev... own department within ...
Write Box E.9049, Financ... 10, Cannon Street, EC4...

he Management Page

EDITED BY JOHN ELLIOTT

ough similar to the National Enterprise Board, the Scottish velopment Agency has a wider brief. **Ray Perman** reports

A bridge to help reform Scottish industry

there were many were willing to the Scottish Agency would not xt election. A few do, but before it s first birthday the rugged off the first ck and emerged more durable.

at shorthand way the SDA is a ivalent of the rprise Board. Like r it occupies that no-man's land stry and *politics*, o be shot at from

little surprise to staff that the servative policy e Right Approach, wipe at the SDA. hat a future Tory would draw the by removing its y into profitable he Shadow Secre-te for Scotland gency of being a ng socialism and would be forced equities it had red back to the

liate howl from TUC was predict-h more significant support from the came from the d. Since that time een much soul Tory ranks and it when the next election manifesto ragraph referring will have been own.

ted ries

NEB, the agency regenerate indus-orking in a very ler community south of Scotland is a gentleman's t the agency will lands and Islands Board with its here of influence) be more clearly

and unions alike the need to e industrial areas cotland and the some outside help were to be able elves out of the by falling markets ndustries.

job. Much of the first year of the has been over the whether it has the do it. The SDA's t was £200m., with reserve, over five ere have been in-e that there might ome.

are figure is mis-leading because of the substantial other duties the SDA has to fulfil compared with the NEB. It took over the Scottish Industrial Estates Corporation and is responsible for building and letting factories. It took over the Scottish Small Industries Council and still keeps up its work, and it has been given the task of co-ordinating the

Lewis Robertson, chief executive of the Scottish Development Agency.

reclamation of derelict land. When the cost of those jobs is deducted the figure available for investment is reduced to probably around £120m.

Mr. Lewis Robertson, the agency's chief executive, is unperturbed. "the least of my problems at the moment is the adequacy of resources. I believe, of course, that the total need in Scotland is very much greater than the investment resources we are likely to have, but it will be made up by the agency working alongside other financial institutions," he says.

"If the agency demonstrates in the first two or three years that there is a very big job to do and we know how to do it, further resources will be made available. I very strongly believe that the agency will not be allowed to falter in a positive programme because there is not enough money to invest."

Mr. Robertson sees the likely maximum individual investment by the agency as around £5m., with occasional exceptions. But total projects could be much larger if banks, investment institutions and companies can be persuaded to join in.

To that end the agency has been cultivating its relationships, particularly with the Scottish clearing banks, whose goodwill is essential not only as potential co-investors, but as valuable contacts with industry.

The agency's first two acquisitions may turn out to be untypical if Mr. Robertson's investment policy becomes reality. Ranco Motors, the subsidiary of a U.S. corporation, was bought outright for £1.27m. and the agency took an 80 per cent. holding in a new company to take over the Edinburgh factory of Munrospun Knitwear.

They were the first chosen from 100 cases brought to the attention of the agency. Both were profitable (Ranco having made £404,000 profits this year) but both were faced with the same problem—continued survival depended on investment.

In Ranco's case the American parent company had moved away from the products being made at its Scottish company and was unwilling to invest. The company's Scottish management had drawn up investment plans, but found the parent company unwilling to put new money into what it now saw as a fringe activity.

Injection of cash

The parent instructed its bank to find a purchaser and the bank approached the SDA. The agency has put in a new chairman and committed itself to providing a big injection of cash, perhaps more than £1m.

New capital will also be provided for R. L. Munro, the new knitwear company, which cost the agency £100,000 for its 80 per cent. stake. In this case Mr. Munro, a director of the main company's Board, saw the possibiity of separating the Edinburgh knitwear factory, which was profitable, so that it could be modernised and developed. He approached the agency, took up the remaining 20 per cent. shareholding of the new company and is now its chairman.

In neither case was the company in imminent danger of closure, *but the long-term* future of both depended on new investment. The SDA was the most attractive purchaser since it did not need to take out profits in the short term, and moreover, had the funds to put in more cash if it was needed.

Mr. Robertson is adamant that the first two subsidiaries of the SDA will be given the help they need, but will also be allowed *the freedom to develop on their* own.

He feels that the agency can bridge a gap which presently exists in the Scottish business scene. While there is money about for investing in sound schemes with adequate security, there are few organisations prepared to come forward and either take an equity stake in a company that needs a broader base on which to build, or which are willing to put up risk capital to back new ideas, tenw techniques or an expeditions into a new market.

This aspect of the agency's work will become more important as it enters what Mr. Robertson describes as its "innovative phase," when it will hope to make good schemes happen. It might mean forming a new company, bringing in an existing firm to exploit a particular need or opportunity or providing the cash to develop an idea.

Monitoring service

The aim will be to run the SDA *like a good industrial holding* group, maintaining a discreet monitoring service to make sure the agency can spot warning signs as soon as they become apparent, but for the most part keeping clear.

This may prove a difficult policy to maintain as the agency is also required to improve the quality of management in Scottish companies by introducing new techniques and promote industrial democracy. The agency is still building up staff and crystallising its ideas, so how both aims are to be put into practice is not yet certain. At the moment outside management consultants are being paid to make a start on the first job.

Another difficult stance to keep up may be the policy of staying clear of lame ducks, particularly if Conservative pressure persists and the agency is deprived of the right to invest in money-making concerns. Both Mr. Robertson and the SDA's chairman, Sir William Gray, have stressed that the agency is not, and cannot be, in the rescue business.

Business books list

Investments: Analysis and Management by Douglas A. Hayes and W. Scott Bauman. Collier Macmillan, £9. The third edition of this is an entirely new book rather than a revision of material in the previous editions.

Social Issues in Business by F. Luthans and R. Hodgetts. Collier Macmillan, £6. This is the second edition of a 1972 book with more emphasis on the chapters on ecology and consumerism.

Content Addressable Parallel Processors by Caxton C. Foster. Van Nostrand Reinhold C., New York, £8.40. One of the Computer Science series, this book is a comprehensive look at CAPP, a machine that implements parallel processing at the hardware level.

BOOK REVIEW

Balancing act in Africa

Lonrho. Portrait of a Multinational by S. Cronje, M. Ling and G. Cronje; Penguin Books in association with Julian Friedmann Books: £1.50 paperback, £6.95 hardback.

THE REPORT on Lonrho by the Department of Trade inspectors made it clear the company, as it is to-day, is very largely the creation of Mr. Tiny Rowland, its chief executive.

"You see the past and I have got an idea what the future could be depending on whether you want to kill it," Mr. Rowland told the inspectors. "But, by God, it (Lonrho) has got one thing and that is it has got a protector and that is me."

The limits set by the inspectors' brief meant that they confined their study to a *tiny fraction* of the development of a group which has pushed its profits up in the space of 16 years from £160,000 to nearly £100m. and which currently employs upwards of 100,000 people in over 600 companies spread across more than 40 countries.

Now, this well researched book attempts to give a much wider impression of Tiny Rowland's idea of the future, and *one of its main themes is that* the actual achievements of Lonrho — the strings of takeover bids, the hundredfold increase in its capital employed, the substantial investment in *fixed assets* — represent only a part of what it has attempted.

The authors explain this by giving the background to a series of almost unimaginably ambitious projects which, for one reason or another, have come to nothing.

For example, there were railway schemes, whereby it hoped to manage both Zaire's and Zambia's export routes to the Atlantic. There was a rumour of a £200m. petrochemical project with the Libyan Government, and the proposed production of 30m. yards of grey cloth a year in the Sudan. There was a company which it set up in partnership with the Sierra Leone Government, seen in many quarters as a direct challenge to Selection Trust's dominance of the local diamond industry.

Above all, there was the move to appoint Lonrho as a consultant to the Organisation of African Unity, to assist member States in the achievement of their energy policies. Had this succeeded, the authors argue, Lonrho would not only have been entitled to help as a consultant in planning the projects, but would also become contractors in the construction phase. They might even have become bankers and part-owners in the schemes.

This would, says the authors, have been "a remarkable latitude for a company whose expertise in the oil and petrochemical fields had never been established, and whose financial resources would certainly not have stretched to undertaking multi-million dollar projects."

The potential consultancy ultimately foundered in a political storm. But the fact that it was considered at all provides *perhaps the most striking evidence* of one of Mr. Rowland's most remarkable skills. This is the balancing act between Lonrho's apparently conflicting interests in both black and white African countries, so that the two areas of activity have proved safe and profitable.

In a key passage he is quoted as claiming that "the South African interests are historical: they were inherited, and with our emphasis on independent Africa we are left with three alternatives: sell up, maintain them, or expand them. We decided not to expand; our preference was to sell, but we were advised not to sell by several African leaders who thought that to do so would be increasing the strength of the enemies of Independent Africa."

In fact, the book argues, substantial and profitable businesses like Western Platinum and Inyati are ventures which originated and were developed in the late 1960s and early 1970s.

What is not clear, however—and this is the book's main failing—is what would have happened if Tiny Rowland and his company had never existed. The authors emphasise the negative aspects of foreign investment for development.

But there are not enough details of how the wealth that has been created by Lonrho's enormous sugar operation in Malawi, its ground nut mills in Nigeria, or its textile projects in Kenya have served the local economy. An example of the authors' uncertainty in this area is that at one point it is suggested that the Ashanti gold mine *has been developed too slowly* to meet Ghana's currency needs: at another, it is said that many Ghanaians fear that the mine has been exhausting its ore reserves too rapidly.

So the book does not provide any great insight into the economic case for and against multinational corporations. But it still makes gripping reading.

Richard Lambert

Companies set up in schools

BY SUE CAMERON

GROUPS OF businessmen are encouraging young people to find out about industry by helping them to set up their own miniature companies through a scheme called Young Enterprise.

The scheme began in America over 50 years ago. Then in 1963 some British businessmen who had seen it in operation set up a National Council of Young Enterprise in the U.K. as a registered educational body. *It has its headquarters* in London and is organised on a regional basis under a national council composed of the chairmen of its area groups. Its aim is to give people aged 15 to 19 greater insight into the responsibilities and problems of management by letting them run their own small-scale businesses and deal with jobs such as marketing, production and finance.

The young people start with a maximum capital of £75 which is raised by selling shares to parents and friends. Having decided what they want to manufacture they then buy the necessary equipment and raw materials and do a two hour stint per week on the "production line"—usually in their school hall. The goods produced are sold to teachers and friends and some Young Enterprise companies have proved highly profitable.

Local businessmen give up their own time to act as advisors to the miniature companies and they ensure that all the formalities and practices of a real company are observed. The advisors issue company kits to each group including such items as account books and share certificates. The kits cost £18 which has to be repaid before the companies are wound-up.

At present there are 150 of these miniature companies around the country and the Young Enterprise directors say that this year they have received more inquiries than they can handle. But the organisation depends on donations from industry.

One company set up this autumn is being run by pupils from three London secondary schools. They are cutting down glass bottles, filling them with sweets or bath salts, packaging them and selling them as Christmas presents at 35p each.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)
Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026
Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 37 George Street 031-226 4139 031-226 4120 (editorial)
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.39 (editorial) 236 86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 210039
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 512-9037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Rålambsvägen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 637 Union Centre East corner Pritchard and Harrison Streets. P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku, Tel: 241 2920
FRIDAY, NOVEMBER 26, 1976

Forecasting dangers

THE FORECASTS published yesterday by the National Institute of Economic and Social Research differ so substantially, to use its own phrase, from those published three months ago that they will, quite properly, be treated with considerable caution. Errors in economic forecasting are inevitable; it is useful, however, to be reminded of this inevitability and of the consequent need to regard all policy prescriptions as provisional. The chief (though not the only) factors which caused the Institute's last prediction to go astray were the slower growth than expected of world trade and the faster drop than expected in the sterling exchange rate.

But there is still considerable disagreement among economists of all schools about whether the current setback in world economic recovery is likely to be temporary or lasting. As for the exchange rate, assumptions are hard to make at a time when monetary policy has just been tightened hard (too late for the Institute to take into account) and when a package of some sort to meet the requirements of the International Monetary Fund is only a few weeks off. Moreover, the Institute assumes throughout that productivity will rise much more slowely than its potential because high unemployment will lead to work-sharing.

Assumptions

In fact, the evidence so far is that firms are getting more overtime out of their existing workforce rather than increasing it—a tendency which will certainly persist if there is only a slow recovery in output—and that productivity is therefore rising. All the basic assumptions on which the detailed forecasts rest are therefore open to question: and the sharp increase posited for next year's terms of trade seems particularly optimistic. As for the fall in the public borrowing requirement which is assumed to take place automatically next year, mainly as a result of fiscal drag, the Institute itself recommends that not too much attention should be paid to its forecast.

The Institute believes that there is no case (except the need to satisfy the Fund) for any net contractionary action in 1977 or 1978—"rather the contrary." Yet even on its own calculations about the effect of a £2bn. cut in public spending during 1977-78, unemployment would be only 100,000 higher than otherwise by end-1977 and 200,000 by end-1978. Against this, according to the Institute, the retail price index would be lower than otherwise by 1978 and the projected balance of payments surplus on current account would be increased from £5bn. to £6bn. And this is while ignoring possible effects on confidence (as regards both the exchange rate and investment) on the grounds that, though possibly significant, the evidence concerning them is shaky.

Wage restraint

We are not necessarily arguing in favour of a spending cut of that size in one go, still less in favour of keeping unemployment at a high level indefinitely. Now that the Government has suddenly shifted from a very fast to a very slow rate of growth in the money supply, it will have to tread carefully: *real and continuing cuts* are what is needed without doubt. We are only pointing out that the Institute's tendency to err on the side of expansion, combined if necessary with imports controls, is questionable even on its own assumptions. We can agree wholeheartedly, however, with its recommendation that the Government should move son to settle policy to follow the present stage of the "social contract." Agreement will not be easy, and last-minute negotiations would unsettle confidence at home and abroad. If, as it suggests, tax reductions are again brought into the bargaining, we would favour some increase in indirect taxes to balance reduced rates of direct tax at the bottom and top ends of the income scale.

New approach to the steel recession

EUROPE'S steel makers are in a somewhat stronger position to weather the pressures of economic recession than was the case before to-day's groupings were formed in the 1960s and early 1970s. Last year's recession was the worst the industry had experienced for 40 years, yet there was noticeably less suicidal price-cutting of the kind that used to occur. The main pressure last year came from imports, from Japan and Eastern Europe and from newer steel-producing nations such as Spain. Last year's experiences also served to bring out more clearly the cumbersome and inflexible nature of the powers of intervention at times of crisis which had been vested in the European Commission by the Treaty of Paris. They had been drawn up when circumstances in the industry were altogether different and limited the Commission to choosing between remaining in a largely ineffective advisory role and setting compulsory output quotas, minimum selling prices and import controls.

More promptly

The Commission has now managed to come up with a new and more flexible set of arrangements. The full details are to be revealed after another meeting next month but the basic aim is to enable to the Commission to act more promptly and to do so after consulting and, preferably, after agreeing with the steel makers themselves. As a permanent measure, the Commission is to institute an improved system of monitoring of trends in the steel market; and, to deal with the longer-term problems of supply, it will in future say publicly when it disapproves of a particular investment project. The Commission will still be unable to prevent a new scheme going ahead, but knowledge of its disapproval may make it more difficult for the sponsor to find financial backers.

Whenever production quotas are thought to be desirable, they will be introduced on a voluntary basis. If they are followed up with minimum price guidelines, these too will not be compulsory and, instead of import controls, the Commission will negotiate with suppliers outside the EEC whenever imports threaten the stability of the domestic steel market. To meet German objections, precise quotas would be set for only the largest steel producers: smaller companies would merely be sent a letter of guidance. The quotas, moreover, would be related to deliveries of specified steel products within the EEC; steel producers would still be free to produce for stock or for export markets.

Effectiveness

These arrangements largely represent a compromise between the views of the French steel industry, which had been urging the Commission to act throughout most of last year, and those of the German steel makers who, although themselves under pressure from import competition, resisted the use of compulsory powers. These differences hardened sharply earlier this year when the German steel makers formed a cartel embracing most of the Community's privately-owned—and, as it happens, more efficient and less debt-written—steel companies, a move which the French industry saw as a challenge both to the Community idea. The Commission has done well to evolve a new agreement out of this split.

The effectiveness of the new arrangements will soon be put to the test. The demand for steel has not recovered as strongly as some Continental producers expected, partly because of the stock cycle and partly because of increased imports, so voluntary quotas are to apply to domestic steel deliveries from January. To ease import pressure, too, the Commission earlier this month persuaded the Japanese Government to include the smaller Japanese steel companies—whose shipments have increased substantially this year—in the existing "gentlemen's agreement" for voluntary export restraint. These measures may or may not all be necessary or desirable, but if they are it is obviously preferable to have them operated by governments than by the steel makers themselves.

Arab and Israeli confidence threatens a new Middle East conflict. **Malcolm Rutherford reports**

The Arab challenge that Carter must take up

THE PRESSURES on Mr. Jimmy Carter to launch a new American peace initiative in the Middle East shortly after he takes over as President on January 20 are becoming irresistible. One by one, one might even say step-by-step, the pieces have been falling into place — almost as if there were some Arab grand design, to the point where Mr. Carter will be compelled to act whether he wants to or not.

Yet it is not a situation which inspires optimism among experienced Middle East observers. There is a feeling that something will happen, that the new U.S. initiative, in whichever form it comes, will get further than the step-by-step diplomacy of the Kissinger period, but that in the end it may again fail because the nature of the problem remains so intractable. The fear is that ultimately that could mean another war, which both the Israelis and the Arabs are prepared to fight — the Israelis because they have reason to believe that they will win: the Arabs because they believe with no less justification that, in the long run, time is on their side.

Nevertheless, the Arabs have issued their challenge, even if for the present it is a challenge of peace, and Mr. Carter will be obliged to take it up.

To speak of a grand design is to ignore the element of sheer good luck in the way the Syrian intervention in the Lebanon has worked out. It is very difficult to believe that the President, Hafez al Assad, of Syria, could have foreseen a year or so ago that by November 1976 the civil war in the Lebanon would be virtually over, that Syrian forces under the cloak of the Arab League would be in control of the country, that the Palestine Liberation Organisation (PLO) would have been to some extent tamed as an independent force, and that on top of everything there would be a reconciliation with President Anwar Sadat of Egypt. Yet that is the train of events which has led to talk of a Middle East settlement again being in the air.

Step-by-step diplomacy

In order to appreciate the extent of the change, it is only necessary to think back to September, 1975. That was the time of the second Sinai disengagement agreement between Egypt and Israel and, in retrospect, the end of Dr. Kissinger's step-by-step diplomacy. President Assad denounced the Egyptians for selling the Palestinians down the river. It quickly became apparent that there could be no follow-up disengagement agreement between Israel and Syria. Indeed, as the price even for renewing the UN mandate on the Golan Heights between the two countries President Assad demanded and secured a Security Council debate on the Palestinian question with PLO participation. That was the proof of his radical credentials.

Since then there has been the Syrian intervention in the Lebanon, first against the Christians, then against the Left-wing forces including the Palestinian guerillas. The threat of the Lebanon emerging as a front-line confrontation State capable of provoking a war with Israel at a time not of Syria's choosing has been removed, or at any rate much diminished. Not least, at the Arab summit meeting in Riyadh last month President Assad reached a new accommodation with the Palestinians and a reconciliation with President Sadat. Although some Egyptian-Syrian rivalries still persist, the two key Arab countries appear to be working together again with the backing of Saudi Arabia, the pay-master.

There could be no clearer sign of the new Arab confidence than the way Syria announced last week-end — ahead of the deadline — that the UN mandate on the Golan Heights would again be extended. In contrast to a year ago, there was no haggling about conditions. The mandate was being renewed, said Syria, "to give international efforts the chance to establish a just and durable peace in the region."

In fact, as the Syrians very well know, no great international efforts at a Middle East settlement are under way at the moment. The message is a signal to President-elect Carter, and a sign of Arab expectations. There have been other Arab signals too. A few weeks ago Mr. Ishmael Fahmi, the Egyptian Foreign Minister, met his Soviet counterpart, Mr. Andrei Gromyko, in Bulgaria. So far as is known, nothing much came out of the meeting, but it was clearly intended by the Egyptians as a demonstration that Soviet-Egyptian lines have not been wholly severed and could be reconnected if the U.S. fails to deliver the goods.

The most tantalising signal of all, however, has been a series of hints that the PLO might be ready to recognise the existence of the state of Israel. If so, it would undermine at a stroke one of the principal Israeli objections to substantive negotiations on the Palestine question. It is presumably a card that will be played, but since it would represent a major concession on the PLO's part, not before there is a reasonable expectation of a *quid pro quo*.

So where does that leave Mr. Carter? He must know that his Administration will have to do something, and that because Arab expectations are so high it will have to do it fairly soon. There may be a little time to be gained by sending an emissary to the various capitals and establishing trust with the parties involved, but not much. It must also be clear that there can be no question of picking up the Kissinger diplomacy of trading "a little bit of land for a little bit of peace." This time the negotiations, if they take place, will be about the real thing: the establishment of a permanent home for the Palestinian people.

Yet it must be no less apparent—to Mr. Carter, President Assad and everyone else—that it cannot be done without Israeli agreement.

That is the point of the Arab diplomacy of the past few weeks. The target is the U.S. and the incoming President, but it is the target because the U.S. is seen as the only power capable of persuading the Israelis to go along. The question remains of whether the Israelis will comply.

It is true that Mr. Carter will have certain advantages denied to President Nixon in his later period and to President Ford. He will be a new, elected President and, in his early stages, relatively free of electoral considerations. It is also true that there have recently been some signs of flexibility on the Israeli side—the hint, for example, of tentative but direct contact with the PLO. Overriding all that however, is the impression that Israeli policy has not yet changed to the point of being ready to agree to a settlement acceptable to the Arabs.

For a start, the Israelis' view of developments in the Arab world is not necessarily the same as that outlined above. They see the Arabs as essentially weak and divided, capable of temporarily uniting perhaps, only to fall out again later. The twists and turns of events in the Lebanon could be taken as a perfect illustration.

The Israelis are also aware of their own present military superiority. Syria, while putting out feelers to the West, has also maintained its links with the Soviet Union and is therefore well armed, though already of course extended by its activities in the Lebanon. Egypt, on the other hand, has lost its Soviet supplies and is not yet receiving alternatives to speak of from the West. It is therefore militarily weak. There is no such weakness on the part of the Israelis who appear to have learned the lessons — in terms of electronic warfare — of the 1973 war, to have received new equipment, and to be almost certainly correct in their view that if a new war breaks out in the next year or two, Israel will win.

The belief in military superiority, and the need to maintain it, is central even to Israeli peace plans. The plan put forward by Mr. Yigal Allon the Foreign Minister, in the October issue of *Foreign Affairs*—itself an updating of an earlier plan—runs broadly as follows: Israel can afford to compromise on territory but it cannot afford to do so on security. It therefore requires "defensible borders."

Mr. Allon writes that within the context of a peace settlement he would personally advocate giving up the large majority of the areas that fell into Israeli hands in the 1967 war (in other words the "occupied territories"). But in return he would demand "security zones" where sufficient Israeli forces would be posted in order to hold back an Arab invasion long enough to allow the necessary counter-offensive to be launched and the aggression to be defeated. Elsewhere in the article he suggests that Israel must always be able to maintain sufficient strength to defend itself "in every regional conflict and against any regional combination of strength confronting it, without the help of any foreign army."

Quite apart from the burden such an undertaking would impose on the Israeli economy, it is clear that Mr. Allon
ing a settlement of whic
military superiority wo
constituent part. It is
able that the idea of A
guarantees, or indeed a
of outside guarantees
plicitly rejected. This i
trast to practically
thinking on the subje
holds that the offer
guarantees would be
that would make a se
acceptable. If the ba
jected, and the Israelis
guaranteeing their own
—presumably ultimat
nuclear weapons—it ca
how far there is to g

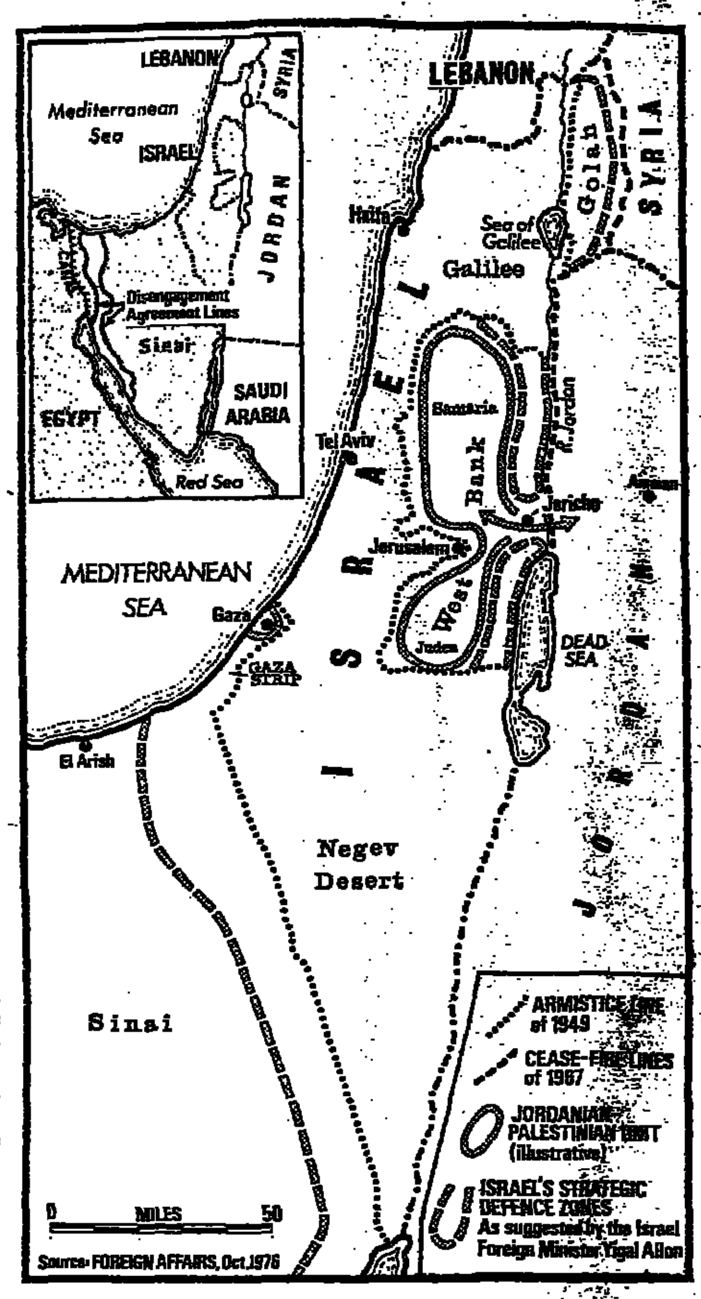
The Ameri influenc

Mr. Carter thus has
able task ahead of hin
old questions of how fa
can go to persuade th
to settle re-emerge. Bu
so in sharper form, bec
time the debate will be
central issue of Pale
not about peripheral
territory. Will the U.S
withhold arms suppli
Israelis fail to respon
seek to block the tr
funds? How far will it
enced by the increasin
ence of the U.S. on Mi
oil?

Moreover, the deci
not be made easier by
that they will be neede
for the Israelis is ar
year. The present Isr
ernment is weak, arg
weak to conduct such
ous diplomacy with a
dence of general suppo
will be a temptation to
til the Autumn when
tions are out of the w
assurance that things
be any better.

There must also b
to Arab patience. T
are preparing their pe
now, egging Mr. Carte
there is no reason t
that they will wait ir
nor that the pres
leaders will be able t
straining the Palesti
some of their own
they do not produc
President Sadat, after
war in 1973 in order
outside powers to st
make peace. That cou
again.

The Arabs are as
anyone of what Mr.
called the "extren
metrics" of the sit
Arab population
against Israel's 3.5m.
territory of 8.5m. sq
against Israel's 28,50
long run, time proba
the Arab side. So, all
is oil. Another war
worth losing, if the p
fail. That is the cha
Mr. Carter—and to Is



The Israeli Foreign Minister, Mr. Allon, produced this map to illustrate his point that Israel can compromise on territory but not where it affects security.

MEN AND MATTERS

Yamani's lecture circuit

Ironies abound as Sheikh Yamani, oil minister of Saudi Arabia, makes his Welsh and Scottish calls this week. It is hard to say whether the Saudis had post-devolution politics in mind when it was agreed he would speak first in Cardiff and then in Edinburgh: what is certain is that Yamani's security screen has been much in evidence in both cities.

Yesterday, between speaking engagements—he had given the Jane Hodge memorial lecture in Cardiff and is due to give the Encyclopaedia Brittanica lecture at Edinburgh University tonight—Yamani had a visit in the Scottish capital from the Energy Secretary, Anthony Wedgwood Benn.

Benn had originally intended to visit the oil booming Shetlands, but pressure of London business forced him to send a deputy. But the minister found time to fly by RAF jet to Edinburgh where Yamani repeated his invitation for Benn to visit Saudi Arabia next year when the formerly ardent anti-Common Marketeer will be president of the EEC energy council.

Benn apparently spent time not only discussing the forthcoming OPEC price-setting session but also lauding North Sea oil prospects. A rather different story down in Cardiff, whose days as energy capital of the world (60 years ago the South Wales coalfields met most of Britain's requirements and exported a massive 40m. tonnes of coal annually) are long gone.

Yamani is the latest in a long line of international leaders drawn to Cardiff in recent years. Other speakers attracted by the Jane Hodge Foundation, which lists among its benefactions clinics in Addis Ababa as well as professorial chairs at Aberystwyth, have included Pierre Paul Schweitzer and David Rockefeller. Dr. Henry Kissinger made a flying visit to the city last year to see his friend and the city's adopted son James Callaghan become a freeman.

Yamani was gracious, professing himself overcome at the warmth of his Welsh welcome which he said was unlike any other he had encountered on his world travels. Then it was away to the airport by bullet-proof car bound for Edinburgh, Benn, and another well-guarded all-ticket appearance.

Looking at Lonrho

There have been relatively few books (setting aside works sponsored in-house) concentrating on a single company and multinationals as a species seem to be getting a disproportionate amount of what coverage there is. There was Anthony Sampson's critical look at ITT; now Lonrho, the controversial group headed by "Tiny" Roland, gets the treatment.

Lonrho is a complex company, but it is mainly the all-important African connections that are examined this time. The overall tone is critical though the trio of female authors were careful when discussing the book yesterday not to give a sweeping answer to the niggling question of whether Africa had benefited from Lonrho or not.

Authors and publishers did not fancy any legal wrangles, and the completed manuscript was sent to Lonrho for comments. The company's response was a 40-page report, resulting in some amendments of detail but no change, it was claimed, in the conclusions of *Lonrho. Portrait of a Multinational*.

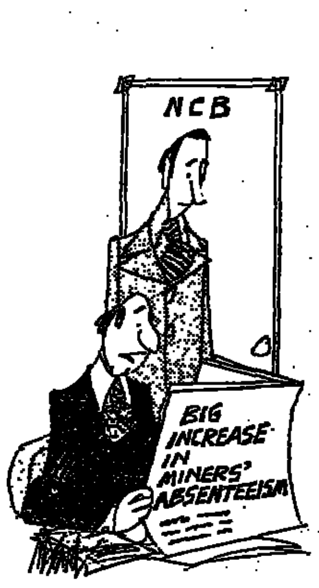
Nominal head of the three-woman writing team is Suzanne Cronjé, a freelance journalist. Born in Austria in 1925, she went to South Africa after the last war, returning to London in 1963, she has already worked on books on the Biafran war. The other two members of the Lonrho team are Margaret Ling, 28, who is working at the moment for the London-based charity International Defence and Aid Fund for South Africa with particular responsibility for Namibia and Zimbabwe (Rhodesia); and Suzanne Cronjé's 25-year-old student daughter Gillian.

The Cronjés have been at their Lonrho studies for quite a while. Both own some shares, and though they missed the famous and climactic 1973 meeting (the occasion for the noisy dispatch from the Board of the rebel directors whose activities brought so much of Lonrho into the public eye), they have been at every annual meeting since.

The authors said that they had been unable to interview Lonrho's present directors, and Sir Basil Smallpeice, leader of the 1973 Boardroom dissidents had declined to answer questions because of the Department of Trade report then in preparation.

There was much talk of Lonrho's balancing act in maintaining links between White and Black Africa, with firm avoidance of conclusions, so did Miss Ling of the defence and aid fund think a majority-ruled Zimbabwe should continue dealing with Rowland's group? She was not to be drawn: that would be a question for the new Government. There was a clearer answer from Mrs. Cronjé when she was asked why she had concentrated on the political rather than financial aspects of Lonrho life. "One of the reasons is I don't know terribly much about finance," she said.

As for Lonrho itself, only a very speedy reader at the company could have taken the whole book in yesterday, but not even preliminary thoughts were available. "We have no comment at all," was the crisp declaration last night.



"I think they are rehearsing for their early retirement!"

Touché

Last week I reported the discomfiture of Gerard Pelisson, head of the French Novotel hotel chain, at being told in one of London's venerable clubs that tea was not available, so would he mind coffee? A couple of days before, reader C. G. Irwin was staying at a Novotel in Yorkshire, and the French ambience of the place was spoilt when he and the other guests were informed that it would be tea with breakfast as the chef had forgotten to order the coffee.

Like home?

From an English-language brochure issued by a Normandy hotel: "This is an inexpensive all-in hotel for the family. No tax, no tips, no service."

Observer

هكذا من الأصل

:S TO-DAY

BY DAVID WATT

An honest man in the Labour Cabinet

t a moment that ...ned the Labour ...ure, let us say, a ...oad, middle-class, ...Minister without ... without much ...tise in the econ...er). In order to ...istorting tempta...ion, we may as ... a life peer as ..., would you react ... Cabinet discus...ek on the IMF ... what side of the ...ld you be likely ... in the end?

...ction, if you have ... of government, ...e of surprise at ...ed to make a ...n on the matter ... on similar occa...past has usually ...ime Minister and ...o put their heads ...sulting perhaps ...er senior Cabinet ...he way) and to ...ad strategy. This ...not only the deci...w far to haggle ... terms but also ...ponents of any ... had to be pre...erall sum for the ...blic expenditure ...this would go to ...enditure commit...binet where the ...een the main ...artments would ...e Cabinet as a ...arcely get a look ...re parcel landed ... table all tied up ... just before being ...rliament.

...k or so ago it ... familiar pattern ...ved in this case. ... determined re... some of the ...rs, it was agreed ... figures would be fully debated in Cabinet. The effect has been striking—as perhaps the Prime Minister knew when he allowed it. The Treasury arguments about a whole range of questions normally considered arcane have been exposed to the challenge not only of other economic heavyweights in the Cabinet, but to the full blast of political scepticism which the non-economic members of the Cabinet bring to bear.

Well, how much scepticism *do* you bring to bear? You will certainly have started off with a good deal. You are serious and patriotic, and are therefore deeply concerned about the economy and prepared to accept that putting it to rights is likely to be a long and painful process requiring courage and sacrifice all round. On the other hand you are a humane person who has come into politics, we will assume, with some sense of social responsibility and you will be inclined to place a heavy burden of proof on the shoulders of anyone putting forward measures likely to produce further waste of human and material resources—or, to put it plainly, throw more men and women out of work. If that is unavoidable, you will accept it; but you will need to be convinced of the absolute necessity.

There will be, moreover, another perfectly honourable consideration at the back of your mind. You are a Labour supporter who believes that a social democratic alliance such as the Labour Party is, for all its imperfections, far the best (and perhaps the only) way of keeping the trade union movement and indeed very large numbers of working people in this country committed to a gradualist outlook and an acceptance of a mixed economy. Any widespread suspicion that the present government has caused unnecessary suffering or failed to do its damnedest to protect the workers within a framework of national interest, would mean far more than the end of the Labour Government. It would probably make the beginning of a period of industrial chaos and political extremism of the left.

As you brood on all this, Whitehall rumours reach your ears that the IMF visiting team are beginning to talk in terms of a cut in the public sector borrowing requirement next year of between £2.5bn. and £3.5bn. and that the Chancellor is disposed to accept their recommendation as the price of the \$3.9bn. loan. Just as you gulp and say to yourself "Denis will have to do some explaining on that one," your eye lights upon a letter to The Times from six eminent and impeccably "Establishment" economists. This states, among other things, that "a quick attempt at a massive reduction in the budget deficit would simply aggravate the recession . . . so long as private savings remain high, corporate liquidity low, a collective oil deficit persists, and the economy remains slack, it is perfectly rational to plan a substantial budget deficit. . . . Public expenditure should indeed be cut. . . But cuts adopted for this reason should be accompanied by tax reduction rather than being used to reduce the budget deficit."

Thus alerted to the possibility that there may be a respectable economic case for resisting further cuts in the deficit until economic recovery has got under way, you take your seat at the Cabinet table last Tuesday. A number of surprises await you. First of all you discover that your colleagues have been reading the same articles and are not only overwhelmingly sceptical of the intellectual case for any cuts at all, they are actually prepared to argue the question on those terms with the Chancellor. Almost nothing is to be heard, even from the most political of Ministers of the effect of cuts on the Party and the electoral condition of the government.

Leaving 11, Downing Street, recently: Mr. Alan Whittome, head of the IMF mission (left); Sir Derek Mitchell, Second Permanent Secretary at the Treasury; and Mr. William Ryrie, British Economic Minister in Washington.

The second surprise is the uneasiness of the Chancellor in the face of this assault. At some moments he appears to be speaking from a Treasury brief which argues the economic and financial necessity of a drastic cut in the deficit but he is immediately assailed with moderate but powerful speeches from right and left. Mr. Crosland and Mr. Peter Shore go through the arguments and point out that there is now an economic consensus which includes even monetary economists about the present danger of squeezing too hard, too fast.

In the whole Cabinet, apart from the Chancellor, probably only Mr. Edmund Dell and Mr. Reg Prentice are in favour of draconian measures on the economic merits.

The Chancellor has no difficulty in disposing of calls for the siege economy—the so-called "Alternative Strategy" of the Left (of which, to be fair, much less is heard, even from Mr. Benn, than might have been expected). But faced with a heavy atmosphere of unbelief he rapidly shifts to arguments of necessity. In the first place there is the question of what the IMF will demand—not so much the officials who have been in London for thre eweeks but the most powerful member governments, notably the U.S. which remains under the influence of an old fashioned "sound money" man like Mr. William Simon, the Treasury Secretary, till mid-January.

Once again more scepticism. It becomes clear that your colleagues are suspicious of the argument. For one thing they do not trust some sections of the Treasury and fear that some officials may have been encouraging excessive stringency among the IMF team. For another, they have been "bounced" by Mr. Healey before with arguments of this kind, and wish to have chapter and verse. Thirdly, some of them still take the view that the international community cannot let sterling go down the plughole, and that the IMF cannot really afford to refuse its approval of any reasonable policies that are offered in good faith.

The Chancellor therefore has to play a third card—namely the general state of international confidence in the market. Let us suppose, he says, that we twist the IMF's arm and get away with it, any package which is generally thought to be inadequate, even if it has the IMF's seal of approval, will cause the collapse of sterling. What is therefore required is a set of measures which will not disappoint expectations. One of your colleagues (better not say who) throws you a note which reads "That's rich, considering that it's Denis and the Treasury who've created the expectations." But the argument is clearly a crucial one—and indeed one which it is impossible for you, without knowing far more of the market than you do, to meet.

You have a feeling that there may be another element of "bounce" here; but intellectual arguments like those of Mr. Crosland which skirt around the confidence question leave you feeling faintly uneasy. As you contemplate the prospect of a calamitous run on sterling the day after the package is announced, your mind like others round the table, begins to harden towards accepting some cuts for cosmetic purposes, but you remain basically unconvinced and therefore extremely anxious to fall in with any ideas for (a) keeping the figures to the barest minimum and (b) minimising the deflationary effect of any figures that have to be accepted.

The most promising notion under (a) turns out to be that of taking two bites at the cherry. Supposing that the IMF is suggesting a fall in the public sector borrowing requirement of £2bn. (which seems the figure they will very likely end up with after the haggling is over) why not offer them £1bn. the first year and £1bn. the second? This would reduce the immediate impact, and go some way to meeting the economic argument that the deficit should be reduced as and when output recovers. At the same time it gives the disciplinarians an impression that the IMF is "monitoring" British progress. (Another colleague, who likes showing off his economic expertise, throws you a note which reads: "What's more, in a year's time Harold Lever will have sold so much indexed public debt that the reduction in interest payments will probably bring us way below target.")

Greatly daring, you ask whether confidence would not be much helped (and therefore the size of the initial cut reduced) if we had more hard cash behind us. Is there no chance of getting the famous sterling safety net or loan from the major industrial countries in place by the time the package is announced? The Prime Minister who has been playing his hand very close to his chest for the past month does not seem very anxious to discuss the matter, and the Chancellor replies that it could hardly be done in the time in any case. But by winks and nods you are led to believe that something major is going on on this front which might mature much earlier than many people suppose.

The meeting breaks up before anybody has really got down to discussing the detailed impact of a package and even the total amounts cannot be clinched until after further discussions with the IMF and another "go" at Mr. William Simon when he arrives in London this week-end. But you leave the Cabinet room feeling reassured. Cabinet will not split on this one. It is facing the realities but the damage which you feared might follow from the application of a panic-stricken orthodoxy, now seems likely to be avoided.

Letters to the Editor

is, the unemployed plus children plus the non-economically active) and (b) a larger proportion of Northern Ireland's workforce is engaged in low productivity industries than in the U.K.

The origin of the statement that Ulster's production costs have risen during the past five years 20 per cent. faster than selling prices is not known. It is clear, however, that industrial costs in Northern Ireland have, in certain respects (for example, energy), risen more steeply than in the rest of the U.K.

Companies

Many of the 75 companies which have shut down this year are very small non-manufacturing concerns of the kind which are always appearing on or disappearing from the industrial scene.

The index of engineering production fell to 100 as a result of a seasonal movement in July but in September it had recovered to 112.

Mr. Concannon, my Minister of State, *did not* say that terrorism has cost 13,000 jobs since 1969. He did say that "some 13,000 jobs have been lost through the closure of more than 70 Government-sponsored firms and it is certain that in some cases management was influenced by the civil unrest."

It is misleading to say that 16 "industrial complexes" have been destroyed beyond repair since 1969. Sixteen manufacturing *companies*, some very small, have closed due to physical damage since 1969, involving the loss of just over 800 jobs.

The claim of non-investment by United States and Great Britain interests is not justified. There have been the recent *expansions* announced by Ford, Hughes Tool and Berkshire, all American companies. There have been no *new* projects from the U.S. in the past 18 months but three new projects with origins in Great Britain have been announced.

Those of us in Northern Ireland concerned with the high unemployment figures and the creation of jobs welcome articles on the economic situation. We are anxious that a picture be presented of the situation as it is, and of the efforts that are being made—with some excellent inducements as back up—to find work for those who so badly need it.

Effort

I hope this letter shows that there is no lack of will on my part for on the part of the Government to help the Northern Ireland economy. There is, moreover, every intention to encourage the magnificent effort of trade unions and management, who have kept the wheels of industry and commerce turning in these difficult times. It may not be generally known that the United Kingdom's industrial dispute record has this year been better than at any time since 1953. In Northern Ireland it is almost twice as good. The first round of meetings which I myself held when I took up office in Northern Ireland were with the Northern Ireland Committee of the Irish Congress of Trade Unions and the Northern Ireland CBI. I have made a special point of seeking the views in depth of both those bodies on the Quigley Report and on the economic and industrial priorities which they think should form the basis of our future economic strategy. I hope that in the new forum which I hope to set up early next year to replace the old Economic Council, we shall have another opportunity to demonstrate that the will which is necessary on all sides—employers, trade unions and Government—is very much there.

Roy Mason.
Northern Ireland Office.
Great George Street, S.W.1.

Local authority building

From the Secretary, External Affairs, Federation of Civil Engineering Contractors.

Sir,—You reported (November 24) a speech by Mr. Reg. Freeson, the Housing Minister, in which he accuses the industry of "blatant misrepresentation and exaggeration" with regard to his plans to expand local authority building departments.

He seeks to make much of the statistic that direct labour carries out only five per cent. of all new civil engineering work. The fact is, however, that he has committed himself to securing the maximum possible expansion of this figure without placing any upper limit on the proportion of the market which he hopes to transfer from the private to the public sector.

He also claims that his move represents "rationalisation" and has nothing at all to do with nationalisation. Unfortunately we are all too well aware of a variety of policy documents produced by his party which make it all too plain that they at least regard the take-over of a major proportion of the industry's work load by local authorities as being the first step towards a major public enterprise stake in construction.

Mr. Freeson also says that he had thought that his efforts to impose proper competition and accountancy practices on direct labour departments would be welcomed by the industry. So far as they go, of course, they are welcomed. Our objection to his measure is that he is proposing to allow local authorities to considerably expand their direct labour activities by carrying out work for a whole range of public and private clients, both inside and outside their boundaries, before effective competition rules have been introduced which would demonstrate whether or not such an expansion could be justified.

We also doubt the wisdom of allowing local authorities to engage in major industrial or commercial activities which go far beyond giving a service to their own ratepayers and add a whole new aspect to local government activity.

M. D. Noar.
Romney House,
Tufton Street, S.W.1.

Petrol price signs

From Mr. E. Shepard.

Sir,—Regarding the "Petrol signs warning" report by Elinor Goodman, Consumer Affairs Correspondent, which appeared on November 17, may we request the space to offer some comments.

The remarks concerning discussions with the Office of Fair Trading and various associations representing the petrol trade are misleading in themselves. The bodies that we understand were involved were the major petrol supply companies (who in some instances are not practising the agreement quoted), the Motor Agents Association and the Petroleum Retailers Association which only account for a section of the petrol retailers in Great Britain and leave countless numbers without representation.

If Mr. Fraser is really serious in his assertions that the public need protection, then surely he should turn his attention to all forms of retailing. The method of pricing in the petrol trade abhorred by Mr. Fraser is, we submit, used widespread in all forms of retailing. Had the Government of the day not abolished retail price maintenance, the problem could not have arisen. It could appear that Mr. Fraser feels that the petrol retailers provide an excellent vehicle to draw attention to the vigilance of his Department, which is sadly lacking in the above.

We, as a company, deplore the anomalous situation that exists in our trade at present, but various forms of marking prices does not tend, in our estimation, to mislead the general public as Mr. Fraser would have people believe. Our findings are that the public are most conscious of checking prices at petrol pumps and discounts that are offered.

We have discussed this matter with our local Officer of Fair Trading and consider that Mr. Fraser should seek advice from his Officers, who deal with the retailers at grass roots and are able to appreciate the difficulties that petrol retailers experience in various areas.

E. H. A. Shepard.
Alsted Garages,
Hale Street,
East Peckham,
Tonbridge,
Kent.

Council housing

From Mr. R. Musgrave.

Sir,—The *Lombard* column of November 23 makes a big mistake when it talks about the "financial collapse of the public housing system in London," on the grounds that rents cover only 30 per cent. of expenditure in the housing revenue account. Surely most of the remaining 70 per cent. is debt interest and the rate of interest that the GLC pays is less than the current rate of inflation or the rate of appreciation in value of council houses.

Put it another way, when the GLC learns to do inflation accounting it will be discovered that rents cover most and perhaps even all expenditure (in real terms) on council housing.

R. S. Musgrave.
24 Garden Avenue,
Framwellgate Moor,
Durham.

Personnel and unions

From Mr. J. Walker.

Sir,—While it is all good fun for staff of the Industrial Society to "have a go" at the Institute of Personnel Management, which they no doubt view as a rival organisation, Messrs. Allen and Moores' letter (November 24) may be worrying to employers seeking advice on industrial relations.

May I assure your readers that advisers on industrial relations do not normally jump to conclusions in this manner, knowing from experience that a full examination of the facts often throws a completely different light on the circumstances behind an industrial relations incident.

A recognition reference to the Arbitration Conciliation and Advisory Service is by no means an indication that the employer concerned is "anti-trade union and antediluvian in its dealings with trade unions." Messrs. Allen and Moores would serve industrial relations better by keeping their prejudices to themselves and sticking to the facts.

J. W. W. Walker.
20, Forest View, Chingford, E.4.

To-day's Events

GENERAL

Prince of Wales presents Royal Aero Club annual awards, Pall Mall, S.W.1.

Iron and Steel Trades Confederation lodges claim for retirement at 60 with British Steel Corporation.

Civil and Public Services Association general purposes committee meets, and is expected to face pressure for tightening ban on statistical work in Department of Employment.

Mrs. Margaret Thatcher, Opposition leader, visits Prestatyn, North Wales, and is scheduled to meet officials of National Federation of Self-Employed.

Mr. Iain Sproat, Conservative MP for South Aberdeen, addresses Strathclyde University Conservative Association, Glasgow.

Sir Robin Gillett, Lord Mayor of London, attends General Produce Brokers' Association of London dinner, Mansion House.

British Council of Churches Assembly ends, Swanswick, Hants.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Queen's Speech — environment, housing and construction.

COMPANY MEETINGS

British Car Auction, Farnham, Surrey, 12. British Industrial, 119-127, Marylebone Road, N.W., 12. Change Wares, Winchester House, E.C., 12. The Charities Property Unit Trust, 10, St. James's Street, S.W., 12. Countryside Properties, Winchester House, E.C., 11. Lake and Elliott, Churchill Hotel, W., 12. Lyles (S.), Ossett, 12. Malayalam Plantations, 1-4, Great Tower Street, E.C., 11. Macallan-Glenlivet, Craigellachie, 11.30. Newman-Tonks, Birmingham, 12. Wades Departmental Stores, Sheffield, 12.

EXHIBITIONS

"A Tonic to the Nation": 25th anniversary of Festival of Britain 1951 Exhibition, Victoria and Albert Museum, Exhibition Road, S.W.7.

Pompeii AD 79 Exhibition, Royal Academy of Arts, Piccadilly, W.1.

BALLET

Royal Ballet in Dances at a Gathering, Afternoon of a Faun, and Voluntaries, Covent Garden, W.C.2., 7.30 p.m.

MUSIC

Royal Choral Society and New Philharmonia Orchestra, conductor Meredith Davies, with Felicity Palmer (soprano), Jean Allister (contralto), Gerald English (tenor) and Mark Rowlinson (bass), perform Beethoven Mass in C, and Howells Hymnus Paradisi, Royal Festival Hall, S.E.1, 8 p.m.

SPORT

Squash: British Abbeydale invitation tournament, Sheffield.

COMPANY NEWS + COMMENT

Renold ahead halfway with £5.68m.

EXTERNAL SALES advanced from £51.67m. to £58.11m. and pre-tax profits went up from £5,233,000 to £5,682,000 at Renold, power transmission and mechanical handling product manufacturers, in the first half of the year ending April 3, 1977.

Earnings per £1 share before extraordinary items, were unchanged at 6.7p and the interim dividend is held at 2.5p net. The total payment last year was 7.6843p from profit of £10.83m.

Trading conditions have remained difficult but the improved performance in the second half of last year has been maintained, the directors state. However, overseas profits, which do not include an exchange surplus of £1.23m. (£0.5m.) arising on net current assets, did not show the expected improvements due to difficult trading conditions throughout western Europe.

There is now a pause in the upward trend in the demand for the group's products from many countries and the second half results are unlikely to show the expected recovery. Meanwhile, the company is in a position to capitalise on any market which shows signs of buoyancy, the directors add.

The company's finances are reported to be in good shape and there has been only a small increase in group borrowings over the reduced level that followed last year's rights issue.

	First Half	
	£000	£000
External sales	58,111	51,667
Depreciation	1,982	1,849
Group profit:		
U.K.	3,596	3,100
Overseas	3,120	3,753
Net interest	1,742	1,652
Pre-tax profit	5,682	5,233
Taxation	2,908	2,673
Net profit	2,774	2,560
Minorities	78	24
Attributable Ordinary	2,681	2,524

● comment

Renold's first-half profits have risen by 8 per cent. pre-tax on the back of a 28 per cent. jump in the U.K. contribution. However, it would be wrong to take this as a sign that a rapid recovery is now under way. The U.K. increase stems almost entirely from price increases: volume in the home market has remained fairly static, while in the overseas divisions it appears to be still in decline. Further price rises are scheduled for the second half which should enable the group to hold its U.K. profits steady but a doubled first-half pre-tax level is probably the most that could be hoped for in the full year. This would enable the historic dividend, yielding 11.8 per cent. at 103p, to be covered almost twice.

HIGHLIGHTS

With a sharp increase in the third quarter, ICI's first nine-months profits are up by 89 per cent. to £428m., including an exchange gain of £71m. The group states, however, that the total figure would have been £170m. lower under the CPP accounting method. **British and Commonwealth Shipping** reported a strong upturn in interim profits due to a recovery in shipping and a good performance in the helicopter division. But there are large unrealised exchange losses on foreign loans. A return to profits was disclosed by **French Kier** but there are no dividends for shareholders. The group still faces large losses on its motorway contracts. Lex also comments on the static profits of **Akroyd and Smithers** which experienced a bad second half. Elsewhere, the **600 Group** announced a 30 per cent rise in interim profits: and strong foreign buying plus currency gains on U.S. earnings helped **Dawson International** increase its interim profits by more than fivefold, in a recovery that could lead to all-time record profits for the full year.

Brockhouse second half recovery

IN THE second half of 1975-76 profits of **Brockhouse** recovered from £1.4m. to £1.9m. taking the total for the year ended September 30 up to £3.02m., compared with £2.7m.

Earnings per 25p share are up from 6.72p to 7.96p. The dividend is increased from 2.949375p to 3.2443p, with a final of 1.8443p.

	1975-76	1974-75
	£000	£000
Sales	38,731	36,963
Profit before tax	3,019	2,702
U.K. tax	1,592	1,396
Overseas tax	255	228
Credit adjustments	262	186
Net profit	1,372	1,164
Extraord. items	*103	714
Dividends	581	532
Minority Pref.	10	7
Forward	2,379	2,922

* Comprises loss on sale of South African subsidiaries £189,000, less profit on sale and lease-back of London premises £84,000. Cost of closing and winding-down loss-making subsidiaries and other unprofitable undertakings.

The group interests cover engineering, transport, building and materials handling, and equipment manufacturers.

● comment

A 37 per cent. rise in second-half profits has more than made up for Brockhouse's first-half downturn and full-year profits have finished 11 per cent. higher before tax. The best performances have come from the castings and forgings division and the handling equipment and process plant operation. The steel division has been at a fairly low ebb throughout the year while the building components and building systems can have done little better than mark time. Orders for castings, forgings and handling equipment have remained strong, while at the same time the U.S. and Canadian subsidiaries have just started to move ahead more briskly. This suggests that profits will continue to improve in the current year. In the meantime, the shares at 41p have an adequate prop in a yield of 12.7 per cent., covered 2½ times.

Pauls & Whites up so far

DESPITE taxable profit for the six months to September 30, 1976 being 21 per cent. higher at £2.23m., Mr. M. G. Falcon, chairman of Pauls and Whites, warns that full year profits may not better last year's £4.4m.

The net interim dividend per 25p share is held at 1p and a maximum permitted final is forecast. Last year's total payment was 3.17p.

	6 months 1976	1975	12 mths 1976
	£000	£000	£000
Turnover	58,111	44,920	112,074
Trading profit	2,619	2,???	5,653
Interest	385	307	1,251
Pre-tax profit	2,234	1,646	4,402
Tax	1,162	860	2,242
Deb. red. Pref. div.	39	39	77
Available	1,033	747	2,083
Dividends	192	180	597

Mr. Falcon reports that the three major activities all improved in the first half. Turnover increased from £44m. to £58.1m. However, this was more as a result of the continuing rise in raw material costs leading to higher selling prices than of increasing sales volume.

The hot summer helped sales of brewing materials, soft drinks ingredients and cattle food but the drought throughout Europe had a devastating effect on the quality and quantity of the barley crop. Strict control of expenditure helped to mitigate the continuing effects of inflation on costs.

● comment

The hot summer helped all three major divisions of Pauls and Whites to produce a 21 per cent. increase in first-half profits. Increased consumption of drinks stimulated better sales of brewing materials and flavours for soft drinks, while the brown grass forced farmers to purchase animal feeds as a substitute. More recently, the artificially high value of the "green" pound has been a concern, keeping the price of pigmeat down and handicapping competition with continentals in malt export markets. Nevertheless the chairman could be showing excessive caution in warning that profits may not exceed last year £4m. pre-tax. The prospective yield on the shares at 70p is 7.8 per cent.

Sime Darby

Pernas Securities has issued a statement to clarify the position regarding its opposition to the re-election of executive directors and the nomination of new non-executive directors to the Board at the AGM of Sime Darby held on November 19.

The issue at present is whether the predominance of executive directors on the Board should be balanced by replacing three executive directors by three non-executive directors who are prominent independent personalities from the Asean region.

Pernas, and other shareholders supporting the change, believe that the composition of the resulting Board would be more in keeping with the operations of Sime Darby and the nature of its shareholders.

Various matters raised by Sime Darby's management in its circular to shareholders are being replied to on behalf of Pernas by its advisers, N. M. Rothschild.

British Dredging in profit

DESPITE losses from associates of £22,067 against £18,937, **British Dredging Co.** is back in profit with £84,025 for the first half of 1976 compared with a pre-tax deficit of £217,611. The loss for all 1975 was £171,310.

The group is returning to the dividend list with an interim of 0.3p net per 25p share costing £23,650, the first payment since 1973-74.

First half turnover was £7.61m. (£8.1m.). Profits were struck after depreciation of £366,855 (£383,607), interest of £354,979 (£397,870), a loss on exchange on a Eurodollar loan of £23,601 (nil) and ships' insurance calls in respect of prior periods nil (£95,305), and is after crediting profit on disposal of assets of £295,477 (nil).

Tax absorbs £71,000 (£4,829) and minorities £2,256 (£6,964), leaving £10,769 (loss £229,404) attributable to members.

Mr. D. M. Bowles, the chairman, says that the group continued to have surplus capacity especially in the dredging division with one of its largest ships, the Bowherald laid up, throughout the period. However, from early October the fleet has been fully utilised and contracts secured ensure that this position will continue during the whole of 1977. A major part of the production of sea-dredged aggregates will be exported to northern Europe.

In the engineering division lack of investment in the U.K. had an adverse effect on trading and while capacity is currently fully utilised on contracts of short duration vigorous steps are being taken to secure additional orders especially overseas.

The dispute between British Dredging and SWB, minority shareholders in Pauls Federated Merchants which had petitioned for the winding-up of the company, ended in agreement in the High Court on Wednesday.

Undertakings were given that the two companies observed Mr. Justice Brightman's ruling on July 20 that SWB was entitled to representation on the Board of Pauls Federated and that British Dredging should not sell any of its 75 per cent. holding without first refusal being given to SWB.

However, Mr. Ron Jones of SWB and his property company, Kingsway, have issued four further writs against Pauls Federated Merchants with regard to property claims which it is understood could amount to £700,000. A date for trial has not yet been set but is expected early next year.

● comment

Stripping out the exceptional items, the pre-tax loss at British Dredging is 54 per cent. greater. Asset disposals, including the reductions of its fleet by two to 13, has turned the result into a plus at the attributable level and so the company has returned to the dividend list. British dredging's main problem was the lack of orders for aggregates, but a major order from the Continent has made the fleet fully operational as from early October and should keep it going though 1977. So the impact on this year will only be for three months with the full potential showing through next year. Meantime the engineering division and builders merchanting (the threat of being wound-up lifted at last for the time being) are suffering from low orders, so prospects outside of dredging are dull. Borrowings are evidently lower though gearing is undoubtedly still high, for last December net debt of £7½m. equalled 135 per cent. of shareholders' funds. The shares rose 2p to 10p, but there is a long way to go before they will show any real strength.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Akroyd and Smithers		12	Feb. 4	12(a)	15	13
Brady Industries	int.	1.75	Jan. 20	1.75	—	5.66
Brit. Comm. Shipping	int.	4	Jan 11	3.45	—	7.54
British Dredging	int.	0.3	Dec. 30	Nil	—	Nil
Brockhouse		1.84	Feb. 10	1.69	3.24	2.95
Caledonia Investments	int.	3.34	Jan. 12	2.85	—	8.86
Carlton Industries	int.	1.5	Dec. 31	1.38	—	4.47
James Ocean		7.5(b)	—	6.25	11.25	10
Dawson Intl.	int.	1.35	Feb. 28	1.05	—	3.03
J. Dykes	int.	0.55	Jan. 29	0.55	—	3.1
R. A. Dyson	int.	0.49	—	0.49	—	2.59
Exchange Telegraph	int.	1.61	Jan. 4	1.47	—	4.41
Flight Refuelling	int.	0.83	Jan. 21	0.75	—	2.32
M. J. Gleeson		1.03	Feb. 2	0.93	1.65	1.5
Hays Wharf		3.14	Jan. 28	3.14	4.43	4.43
Lee Cooper		0.81	—	0.54*	—	1.63*
LMI	int.	1.7	Jan. 14	1.2*	—	3.02*
Marling Inds.	int.	0.49	Feb. 8	0.45	—	0.82
M. K. Electric	int.	2.5	Jan. 12	1.5	—	4.72
Pauls and Whites	int.	1	—	1	—	3.17
Renold International		2.5	Jan. 31	2.5	—	7.68
J. E. Sanger	int.	1.75	Jan. 21	1.75	—	4.4
600 Group	int.	1.65†	Jan. 21	1.5	—	3.32
"Times" Veneer	int.	0.19	Jan. 5	0.17	—	0.34
Triplex Foundries	int.	1.41	Jan. 28	1.28	—	3.77
Vernon Fashion Group	int.	1.11†	Dec. 29	1.11	—	2.59
Wade Potteries		0.69	Jan. 11	0.63	1.16	1.07
Whitbread Investment	int.	1.29	Jan. 12	1.17	—	3.25
Wingate Investments		Nil	—	0.01	Nil	0.01

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Included bonus 2½p. (b) Gross.

J. E. Sanger ahead at six months

ON SUBSTANTIALLY higher turnover of £34.25m. compared with £19.6m., meat traders J. E. Sanger lifted pre-tax profits from £615,000 to £666,000 for the six months to September 30, 1976.

The interim dividend is held at 1.75p net. Last year's total was 4.4p paid from pre-tax profits of £1,515,000.

	Six months 1976	1975	Year 1975-76
	£000	£000	£000
Turnover	34,254	19,600	45,427
Profit before tax	666	615	1,515
Tax	297	298	750
Net profit	369	317	765
Minority	23	3	17
Earned for Ordinary	346	314	748
Dividend	175	123	316
Retained	171	191	432

Mr. J. E. Sanger, chairman, says the sharp increase in turnover stemmed largely from the two new operations in New York and Chicago, but the U.S. has been experiencing the most difficult meat trading period for 20 years and profitability in this area has not matched turnover.

However, confidence in North America remains, and the base established in that area will be of considerable benefit in the future, he adds.

In other areas, the company has improved its position, particularly in London, which continues to take maximum advantage of trade within the EEC.

London has been strongly supported by Paris and Rotterdam. Sydney has also maintained its position and continues to increase its coverage of diversified markets, which in future will be a very important factor in Australian meat trading.

The joint venture discount trading operation at Ilford, opened on August 13. Trading has been steadily increasing since and Mr. Sanger looks forward to reaching the predicted figures during the pre-Christmas period.

● comment

Of J. E. Sanger's £14½m. increase in turnover, £4m. came from the Australian subsidiary, largely as a result of diversification into offal and new marketing areas, thus providing most of the profit growth. The remaining £10m. came from the new Chicago and New York subsidiaries which were set up in April. Neither has yet contributed to profits and it may be two years before they do. Elsewhere, as in the U.S., the meat market is particularly difficult and the company has just held its own both in turnover and profits. Nevertheless, the winter months traditionally mean greater meat consumption and, with the continuing improvement in Australia, final figures could be at least £1.6m. At 44p, the maximum yield is 17.6 per cent., and the prospective p/e, given the low tax charge, is 5.1.

Second half upsurge by Gleeson

AFTER A rise from £412,000 to £475,000 in the first half, pre-tax profits of **M. J. Gleeson (Contractors)** finished the year to June 30, 1976, some £0.5m. higher at £1,402,000. Turnover expanded from £45m. to £51.75m.

Earnings are shown to be up from 4.43p to 6.44p per 10p share and the dividend is raised from 1.49775p to the maximum permitted 1.64752p net with a final of 1.02675p.

	1975-76	1974-75
	£000	£000
Turnover	51,750	45,000
Pre-tax profit	1,402	903
Tax	758	460
Net profit	644	443
Interim div.	62	57
Proposed final	103	93

Profits include bank interest of £387,000 arising on short-call deposits which reflects the group's much improved liquidity position, say the directors.

The order book is such that the Board hopes to maintain current levels of turnover during 1976-77, but the prospect of further cuts in public expenditure "is even more threatening." For this reason the group is continuing to research foreign markets to obtain work overseas in addition to the cold store contract now progressing in Egypt.

It is impracticable to make a profit forecast, members are told. But the Board is confident in the knowledge that the group is in a good financial position to face whatever changes may become necessary.

BDS loss up

AN ATTRIBUTABLE loss of £1.1m., compared with £0.29m., is reported by British Debt Services for the year ended June 30, 1976. The loss includes an exceptional item of £745,770—being stock of own bought debts written off although still in the course of collection — and extraordinary items of £219,707.

Mr. Paul Brooks, the new chairman, says with the decisive measures taken to put the group back on the road to profitability, he is confident that "at last we have turned the corner," and for the next 12 months he feels "quietly optimistic."

The bank borrowings have been restructered on a long-term basis and in an effort to rationalise the group's financial position its stock of own bought debts has been written off.

The credit reference activities of Credit Data have been completely merged with those of BDS which was in effect the subject to a reverse takeover last May. Credit Data was then purchased by BDS for a nominal sum and at the same time the Credit Data holders bought the 51 per cent. interest in BDS held by the then chairman, Mr. John Bentham, also for a nominal sum.

The result not only consolidates the group's role as the leading credit reference company in this country but also makes it one of the largest credit reference companies operating anywhere in the world including the U.S., he claims.

The opportunities for both internal growth and for new business are considerable and the financial picture "is beginning to look brighter." BDS has received the full support of the banks, and bank borrowings despite all the difficulties have been reduced—from £1m. to £108,859 at the year-end.

The level of trading since the merger has been running at a higher level than last year and through the merger considerable economies of scale have been achieved.

Net book value of fixed assets at year-end totalled £186,846. Loans amounted to £812,510.

Meeting, Manchester, December 17.

First half rise by Carlton

REPORTING a first half (to September 30) rise in pre-tax profits from £2.36m. to £3.22m., the directors of **Carlton Industries** say that despite the recent increase in interest rates, full year results should reflect the present upward trend.

The interim dividend is lifted from 1.375p to 1.5p net per 25p share. Last year's total was 4.469p paid from pre-tax profits of £5.32m.

	Six months 1976	1975
	£000	£000
Turnover	36,297	*34,118
Trading profits	3,591	2,551
Batteries and fasteners	2,253	1,297
Whisky	799	635
Housebuilding	680	780
Other loss	61	47
Interest and overheads	373	*189
Profit before tax	3,218	2,342
Tax	1,673	1,083
Minority interest	132	302
Attributable	1,413	979
Preference divs.	17	18
Ordinary	397	348
Retained	999	614

* Adjusted for sale of South African subsidiary in September 1975.

Exports have increased substantially, particularly in heavy industrial batteries and in order to meet overseas demand plans have been drawn up to continue the modernisation and enlargement of the three battery factories which will involve additional capital expenditure of some £5m. during the next two years, to be financed out of internal cash flow.

● comment

After the 42 per cent. profits rise at Comben Homes and 22 per cent. rise at Invergordon Distillers, comes the news that the acid batteries division of Carlton Industries has produced £2.2m. at half time, up 80 per cent. on turnover up from £12m. to £16m. Together, the three results leave Carlton up 36 per cent., with prospects of final pre-tax figures of £6.8m.—good news for the holding company, London Merchant Securities. The maximum yield of Carlton at 55p is 14 per cent. with the prospective p/e at 4.9.

Blakey's well up midway

On sales ahead from £1.19m. to £1.31m. profits of Blakey's (Malleable Castings) increased from £55,735 to £126,012 in the half year ended October 31, 1976. The 1975-76 total was £210,000.

The directors say that trading continues to remain difficult and the company is not working to full capacity. The costs of many items and services continues to increase, but the company continues to compete effectively in many of the world markets.

EXCHEQUER STOCK

The Bank of England announces that the list of applications for the issue of £800m. of 13 per cent. Exchequer Stock 1980 opened and closed yesterday. The full amount of stock offered has been allotted with all applications received from the public being allotted in full.

FARMERS LOAN

The Agricultural Mortgage Corporation is issuing £1m. of 14½ per cent. Bonds November 24, 1978 at par. Interest will be payable half-yearly on May 26 and November 26. The final payment, amounting to 7.256 per cent. will be made on the repayment date. Dealings will start to-day.

French Kier turns in £0.83m. so far

FOLLOWING a forecast in the last annual report of a modest return to profit, civil engineers etc. French Kier Holdings reports a pre-tax surplus of £825,000 for the first half of 1976. There was a loss of £3.34m. for the 1975 first half which had been reduced to £1.9m. by the year end.

Mr. J. C. Mott, chairman, says it is now clear that a modest group profit will result for the full year after charging extraordinary items and amounts written off development land.

Cash generated as profits has been directed towards the reduction of borrowings. While all of the group's banking facilities have been renewed, the increasingly high interest rates require a continuation of this policy, members are told.

Because of this, and in order to conserve working capital, there is no interim dividend.

The decision concerning a final will be made at the appropriate time in light of all prevailing crcumstances, adds Mr. Mott.

For the past two years there have bee nno interim payments and nominal finals of 0.05p net.

	First half 1976	1975	Year 1975
	£000	£000	£000
Turnover	75,806	76,508	162,380
Profit	1,700	*250	484
Off devel. land	875	3,000	2,339
Profit before tax	825	*3,350	*1,895
U.K. tax credit	220	†1,280	†1,415
Overseas tax credit	160	115	487
Prior year credit	—	—	696
Net profit	443	*2,255	*1,583
To minorities	128	90	238
Attributable	315	*2,345	*1,821
Extraord. credit‡	260	*480	*836
Making	575	*2,565	*3,657
Dividend	—	—	24
Balance	575	*2,805	*2,661

* Loss. † Charge. ‡ Comprise differences on currency realignments, debit £20,000 (debit £33,000), provision for diminution in value of certain properties held as fixed assets nil (debit £200,000), surplus on sale of properties and investments £280,000 (£175,000), investment in associate company written off nil (debit £300,000) and special contribution to pension fund, debit £100,000 (nil).

The contribution from Kier Group companies for the first half, and that forecast for year, are both above those for last year.

The Robert Marriott Group has maintained its strong performance but the continuance of this growth is not anticipated due to the depressed state of the U.K. construction market. However, expansion of overseas activities through Kier International and Simplex Piling will help to offset the effect of the domestic downturn.

The impetus has been maintained by a major contract award in the Middle East and further awards in existing territories.

An increase in profit contribution from overseas is anticipated in 1976 but the full effect of the increased overseas workload on trading results will not be felt for some time.

Of the £4.5m. Convertible Loan facility made available to W. and C. French (Construction) by the DoE, £1.5m. was drawn down in the early part of the year. The Group has offered the early repayment of th

Total group borrow at £34m. at end 1974, in the early part of 19 now been reduced to s This reduction has ma ened the impact of c interest rates.

The French Group c and property invest panies traded, in agg. loss. The full effect o cial surgery within panies during the pa be more apparent in results, says Mr. Mot

The Land Bank been kept under cons The Board considers to make provision fo reduction in value the majority being i land held overseas. book value of the La some £10m.

The chairman said now appeared that th contracts woul dresu of some £16.2m. How not want to pr accountants' report by much—if any—of the gratia payment, mad C. French by the DoE tracts could be comp have to be returne losses were well o which was the brea low which repaymen required.

The first part of th some £3.5m., had g reducing an overdr Midland Bank "to which the company tinue trading." The that it had been lost "quite ludicrous."

● comment

The Keir side of Fre continued to make with £2.4m. after int first six months, but development interest in the same period. group contracting at even, and the holdi collecting rents etc. c group out-turn is £ the land write-off. T expected to stay in t the second half. Lool year, turnover is expe from £150m. to £12 because of a tumble to £30m. at French. (though not French readmitted to the list Government contract business is now a th over. and developn should be sharply cu year as developme more fully let and t cases sold. Debt is n £11.5m. The shares ro yesterday, but there dend for the time b will take a long ti group to recover lost its political skirmishe the stock of developn around £10m., still w on the balance sheet.

صورة من الأصل

& C Shipping tops)m. for first half

. rise in turnover
nst £84m., British
ealth Shipping has
e-tax profit from
10,419,000 for the
June 30, 1976.
: of the company,
r cent. owned by
stments, state that
ons are that profit
, after charging
foreign currency
l be in excess of
£16.4m. last time.
increased deduc-
ect of tax and
t profit before
tems is expected
erall 10 per cent.

dividend is 4p
r 50p share. Last
7.535p.
change amounting
n repayment of
cy loans by U.K.
ve been charged
Unrealised losses
t current rates or,
e, at realised cost
to be £6.61m.
f about £3m. may
the directors, to
value of a group
ociated companies.
s, engaged in the
p support services
elopments, have
s and, although
table, are not
ing.

	Half year 1976 £000	1975 £000
...	102,000	84,000
...	16,979	12,212
...	6,522	6,171
...	1,502	1,108
...	8,615	5,031
...	3,185	2,968
...	1,561	1,557
...	10,419	6,412
...	4,837	2,975
...	846	611
...	4,736	2,926
...	1	168
...	4,737	2,994

erwriting year of
Scottish Lion
on December 31,
ipation of an un-
ult for that year,
run-off of earlier
ofit for 1972 of
of £325,000 was
in the insurance

in each of the
1974 and 1975
m profits, of
ax were made to
directors consider
fers will be more
to cover the loss
4 but that it may
en the results are
a further provi-
its to strengthen

Invest.

o £1,502,000 from
re-tax profit by
tments is shown
ths to September
nover expanded
£2.51m.

	Half year 1976 £000	1975 £000
...	2,807	1,974
...	1,182	1,154
...	176	211
...	321	137
...	43	36
...	102	108
...	82	26
...	1,502	1,332
...	588	537
...	37	5
...	831	778

25p share were up
and the interim
aximum permitted

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Anderson Strathclyde, James Cropper, Rediffusion, Spink and Son.

Finals—Sir Joseph Causton, Fourth City and Commercial Investment Trust, Plaxtons (Scarborough), Stag Line.

FUTURE DATES

Interims—

Baker Perkins	Dec. 9
Burnett and Hallamshire	Dec. 9
Cattle's Holdings	Dec. 9
M. and G. Second Dual Trust	Dec. 8
Scott (James) Engineering	Nov. 29
Tecalemit	Nov. 30
Westbrick Products	Dec. 2

Finals—

International Computers	Nov. 30
Northern Irish and Scottish Investment Trust	Dec. 8
Titaghur Jute Factory	Nov. 30

3.538p (2.852p) net. The directors envisage no increase on last year's final of 4.01p. The previous total of 6.862p was from profit of £2.73m.

Owing to U.K. tax arising from the receipt of an overseas subsidiary's dividend, attributable *profit for the year is unlikely to* show any material change on last year's £1.6m., the directors report.

Statement Page 26
See Lex

Brady midway profit fall

A FALL in pre-tax profits from £309,000 to £260,000 is reported by Brady Industries for the six months ended September 30, 1976. Turnover amounted to £7.89m. against £7.61m.

The marginal increase in turn-*over when allowing for inflation,* is in *reality* a reduction in volume, with the consequent reduction in profit margins, the directors say.

The net interim dividend is maintained at 1.75p. Last year's total was 3.6625p from profits of £951,393.

Tax charge in the first half was £135,000 (£161,000).

Strenuous efforts are being made to increase exports to compensate for effects of the slow recovery of investment in the industrial building sector. Recent signs in the merchanting division show an increased level of activity and a higher contribution is expected in the second half.

Statement Page 28

Vernon sees further progress

The director of Vernon Fashion Group report turnover ahead from £2.77m. to £3.15m. in the six months to July 31, 1976 and pre-tax profits up from £114,856 to £141,286.

They say that several new trading outlets will aid results and they are confident that the full year will be another record. For the last full year profit were a peak £456,935.

The net interim dividend per 10p share is 1.11186p (same), payable on capital increased by a rights issue in July. Last year's final payment was 1.4798p.

After tax for the six months of £73,469 (£59,725) the net balance emerges at £67,817 (£55,131).

MK Elect. soars £1.6m. midway

PRE-TAX PROFIT more than trebled from £661,000 to £2,309,000 at M.K. Electric Holdings for the six months to September 25, 1976, and exceeded the £2.17m. for the whole of 1975.

Sales, up at £13.28m. (£10.61m.), include a significant increase in volume. Much of the advance came from export sales which rose 35 per cent.

Earnings per 25p share have soared to 9.21p (2.64p) and the interim dividend is lifted to 2.5p (1.5p) net. Last year's total was 4.72p.

An estimate of first half profit on the Sandilands Committee current cost principles, gives £1.21m. compared with the similarly adjusted figure of £1.41m. for the previous full year profit.

Business has continued the improvement experienced in the second half of 1975. The directors say this is encouraging because the seasonal pattern of business normally produces better figures in the second half than in the first.

They view the group's prospects with some optimism but in the economic circumstances prevailing in the U.K. they believe a cautious approach to expansion must be maintained.

	Half-year 1976 £000	1975 £000
Turnover	13,283	10,610
Trading profit	2,320	862
Interest paid	11	201
Profit before taxation	2,309	661
Taxation	1,201	344
Net profit	1,108	317
Dividends	500	150
Retained	608	157

● comment

Since 1975, when new management was brought in, M.K. Electric has made an energetic recovery which has continued by a 250 per cent. rise in profits. Many changes have contributed to this turnround, including better financial control, greater emphasis on exports (expected to reach 25 per cent. of turnover this year against 14 per cent. last) and stronger marketing. Moreover, upswing is not yet exhausted: the *development of new products,* actively promoted, and the creation of manufacturing facilities in Singapore and the Middle East can sustain the momentum in the face of the depressed U.K. construction industry. For the full year, pre-tax profits of over £5m. look possible, for a prospective p/e on the shares at 78p of only 3.8, while the maximum yield is a useful 10.6 per cent.

Statement Page 27

ICI up £200m. at nine months

INCLUDING AN exchange gain of £33m. third-quarter profits before tax and grants of Imperial Chemical Industries increased to £149m. compared with £71m., bringing the total for the first nine months of 1976 up from £226m. to £428m. with the exchange gain content at £71m. At this level the figure exceeds the 1975 profit total by £48m. and comes within £89.6m. of the *record £517.6m. achieved in 1974.*

If adjusted for inflation on a CPP basis, the profit of £428m. would be reduced by about £170m. This compares with an adjustment of £190m. for the first nine months and £245m. for the whole of 1975.

In the U.K. nine months sales increased from £903m. to £1.18bn. and sales overseas rose from £1.31bn. to £1.81bn. Fob value of exports was £597m. (£420m.).

Statement Page 24
See Lex

Penrad half year loss again

AS ANTICIPATED in its rights issue circular, losses have continued for the Penrad Group. For the six months to June 30, 1976, the group pre-tax loss was £173,000 against a loss of £146,000 in the comparable period of 1975.

Sales were up from £968,000 to £1,230,000 but, the directors state, losses by the radiator company were aggravated by an uncharacteristic loss for the engineering company.

The latter is now earning consistent profit, has a full order book and holds excellent prospects of increasing earnings to double those of last year, when its profit was £31,761.

Efforts to improve the performance of the radiator company have resulted in some significant *achievements, the directors add,* and orders in real terms at the half-way stage were up 50 per cent. on 1975.

Despite further cuts in public expenditure, the Board remains optimistic that Penrad's recovery will continue for the present, but again no interim dividend is to be paid. The last dividend payment was an interim of 0.875p net per 25p share in 1973.

A professional revaluation of fixed assets is currently being conducted and the directors have re-assessed depreciation rates which, they say, have been excessively cautious in the past. Full details of the changes will be given in the annual report.

	Half year 1976 £	1975 £
Sales	1,230,000	968,000
Trading loss	71,000	31,000
Interest	52,000	54,000
Deprec. and write-off	50,000	61,000
Pre-tax loss	173,000	146,000
Tax credit	4,000	*12,000
Net loss	169,000	158,000

* Debit.

○ comment

It was clear last March when Penrad was rescued that a recovery was no overnight affair. In the event, an increased interim loss is perhaps worse than expected; but this is because the engineering side's principal customer, the British Steel Corporation, had a spate of trouble at the beginning of the year. That is now behind the group and radiator sales are also doing well relative to a very bad market, with the number of stockists increased by 24 to over 80; also, *there have been three price* increases, and a chance to break into the export market. Meantime the group is still in losses and the recovery is going to be a long haul; but the gamble is fully recognised in a share price of 10p where the market capitalisation is a mere £163,000.

Good start for Dolan Packaging

At the AGM of Dolan Packaging, Mr. Gordon Dolan, chairman, said sales and profit in the first quarter were well up on last year's rather depressed level. Furthermore, in October and the current month "we are continuing to trade at a much improved level."

December was not expected to show the same rate of increase as that month was fast becoming a three-week month. However, he was confident of a satisfactory improvement in the first half trading results.

THE BRITISH & COMMONWEALTH SHIPPING COMPANY LIMITED

INTERIM STATEMENT

The Board has declared an interim dividend of 4p per Ordinary Stock Unit of 50p (gross equivalent 12.308 per cent.) in respect of the year ending 31st December, 1976 (1975—3.445p—gross equivalent 10.6 per cent.).

The increase in the interim dividend utilises 1.708 per cent. out of a total increase permitted under present legislation for the Company's year 1976 of 2.318 per cent.

The dividend will be payable on 11th January, 1977 to stockholders registered at the close of business on 10th December, 1976.

A statement, with explanatory notes is given below showing the estimated Group profit for the six months to 30th June, 1976, with comparative figures for the corresponding period of the previous year and the actual figures for the year 1975.

ESTIMATED UNAUDITED GROUP PROFITS FOR THE SIX MONTHS ENDED 30th JUNE, 1976

	NOTES	Estimated 6 months to 30th June 1976 £'000	Estimated 6 months to 30th June 1975 £'000	Actual Year to 31st Dec., 1975 £'000
TURNOVER		102.000	84.000	181.500
TRADING PROFIT		16.939	12.312	25.639
DEPRECIATION		6.822	6.173	12.679
		10.117	6.139	12.960
INTEREST PAID in respect of trading assets		1.302	1.108	2.221
OPERATING PROFIT	1 & 2	8.815	5.031	10.739
OTHER INCOME				
Portfolio investments		1.156	1.006	2.037
Associated companies	5	130	250	2.076
Other investments		199	154	1.770
Interest received		1.680	1.558	3.220
		3.165	2.968	9.103
LESS: Other interest paid		1.561	1.587	3.446
		1.604	1.381	5.657
		10.419	6.412	16.396
TAXATION	3			
Tax credits on U.K. dividends received		312	272	677
Other taxation		4.525	2.703	5.759
		4.837	2.975	6.436
		5.582	3.437	9.960
MINORITY INTERESTS		846	611	1.290
PROFIT AFTER TAXATION AND MINORITY INTERESTS, before extraordinary items		4.736	2.826	8.670
EXTRAORDINARY ITEMS		1	168	(1.098)
ATTRIBUTABLE TO MEMBERS OF THE BRITISH & COMMONWEALTH SHIPPING COMPANY LIMITED		4.737	2.994	7.572

NOTES

	6 months to 30.6.76	6 months to 30.6.75	Year 1975
1. (a) Operating Profits include			
Surplus arising on disposal of ships	1.832		867
Profits applicable to earlier periods		600	490
	1.832	600	1.357

(b) All loses on exchange (£645.000 to 30th June, 1976) realised on the repayment of foreign currency loans by United Kingdom subsidiaries relating to the financing of trading assets have been charged against profits.

Unrealised losses at 30th June, 1976 on such loans at current rates of exchange or, where applicable, at realised cost are estimated to amount to £8.609.000. Assuming the loans are repaid in normal course at these rates, the losses would be charged to operating profits as follows:—

	£'000	
Remainder of 1976	998	Charge for year £1.643.000 (£645.000 + £998,000)
Year 1977	1.684	
1978	1.670	
1979	1.450	
1980	1.577	
1981	737	
1982	493	
	8.609	

Such unrealised losses are covered in certain cases by escalation clauses in continuing contracts.

2. The 1974 underwriting year of The Scottish Lion Insurance Company Limited closes on 31st December, 1976. In anticipation of an unsatisfactory result for that year, including the run-off of earlier years, the profit for 1972 of £773,000 less taxation of £325.000 was carried forward in the Insurance Fund. In addition, in each of the calendar years 1974 and 1975 transfers, from profits, of £200,000 net of taxation were made to the Fund. It is considered that such transfers will be more than adequate to cover the loss sustained in 1974 but that it may be prudent, when the results are known, to make a further provision from profits to strengthen reserves.

3. The charge for taxation (other than tax imputed to dividends received) for the six months to June, 1976 gives an effective rate of 47.49%. The charge for taxation for the half-year to 30th June, 1975 (other than tax imputed to dividends received and certain consortium dividends) has been adjusted to correspond with the effective rate of 48.24% for the years 1975.

4. The present indications are that profits for the year after charging realised losses on foreign currency borrowings but before taxation, minority interests and extraordinary items, will be in excess of £20 million.

After an increased deduction in respect of taxation and minority interests but before extraordinary items (including any provision required, as referred to in Note 5 below) profits are expected to show an overall increase of about 10 per cent. as compared with the previous year.

5. Profits from associated companies and overseas companies in which the Group has a substantial interest are included in the results for the half-year and estimated for the full year on the basis of dividends received, or expected to be received.

A group of overseas associated companies, engaged in the provision of ship support services for oil develpments has incurred losses and, as currently, the assets are not revenue producing, although initially profitable, it is considered that, on the information available at this time, a provision of about £3 million may be required to write down the value of this investment.

6. With the payment of an interim dividend of 4p per share (equivalent with imputed taxation at 35% to 12.308 per cent.) the maximum permitted final dividend under current legislation (again assuming an imputed tax rate of 35 per cent.) will be 13.195 per cent. (gross) per share or 4.2885p net of imputed taxation.

25th November, 1976.

CALEDONIA INVESTMENTS LIMITED

The Board has declared an interim ordinary dividend of 3.538p per stock unit (gross equivalent 21.772%) in respect of the year ending 31st March, 1977 (1976—2.852p—gross equivalent 17.551%). This increase in the gross percentage, namely 4.221, is the maximum permitted under the present regulations representing in itself an increase of 10% in gross terms on total dividends paid in respect of the year ended 31st March, 1976. Thus no increase is envisaged in the rate of final dividend payable in respect of the current year (1976—4.01p—gross equivalent 24.677%).

The dividend will be payable on 12th January, 1977, to stockholders registered at the close of business on 10th December, 1976.

A statement, with explanatory notes, is given below, showing the estimated group profit for the six months to 30th September, 1976, with comparative figures for the corresponding period of the previous year and the actual figures for the year to 31st March, 1976.

Owing to the incidence of U.K. taxation arising from the receipt of a dividend from an overseas subsidiary, profits of the Group for the year attributable to ordinary stockholders are unlikely to show any material change from those of the previous year

ESTIMATED UNAUDITED GROUP PROFIT STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 1976

	NOTES	*Six months to 30.9.76 £'000*	*Six months to 30.9.75 £'000*	*Year to 31.3.76 £'000*
GROUP TURNOVER		2,807	1.974	4.519
GROUP PROFIT				
Franked Income		1,182	1.154	2.176
Unfranked Dividend and Interest receivable		176	211	494
Trading Profits		321	137	408
Less: Depreciation		43	36	76
		278	101	332
		1.636	1.466	3.002
Interest Paid		102	108	209
Head Office Administration Expenses		32	26	61
		134	134	270
PROFIT BEFORE TAXATION		1.502	1,332	2.732
Taxation:				
Imputed tax credits on U.K. dividends received		414	403	756
Other taxation		174	134	303
		588	537	1.059
		914	795	1,673
Minority Interests		37	8	27
		877	803	1,646
Extraordinary items		—	—	9
		877	803	1,655
Preference Dividends		26	24	52
PROFIT AVAILABLE FOR ORDINARY DIVIDENDS		851	779	1,603
Earnings per Stock Unit of 25p		4.84p	4.43p	9.11p

NOTES

1. The high rate of taxation (other than tax imputed to dividends received), in respect of the half-year ended 30th September, 1975, is attributable mainly to unrelieved losses in overseas trading subsidiaries
2. Earnings per Ordinary Stock Unit are based on 17.600.000 Stock Units in issue throughout the year ended 31st March, 1976, and the half-years to 30th September, 1975 and 1976.

BIDS AND DEALS

Sheaf Steam saved by £4m. Ben Line offer

Sheaf Steam Shipping has been saved from going into liquidation by an agreed takeover bid worth £4.1m. from Ben Line, a private Scottish shipowning group. It was announced at the beginning of September that talks were taking place between the two parties which could lead to an offer.

The Sheaf directors plus two major shareholders—W. A. Souter and Co. and the Hebburn S/S Co. —with a continued holding of 41.5 per cent., have agreed to accept the 115p per share cash offer. News of the bid came too late to have any effect on Sheaf shares which ended the day at 112p, up 1p. When talks were first announced the share price doubled in a single day to 120p.

The formal offer document states that if the offer does not succeed Sheaf would probably be forced into liquidation. The directors say that even allowing for the possible availability of capital allowances in respect of drilling rigs to offset tax liabilities arising on liquidation of other assets, they have no confidence that there would be a surplus ultimately available for shareholders that would exceed the value of the bid. The directors further say that shreholders may finally receive a great deal less and that, in any case, no payment could be made for a considerable time.

Sheaf has an obligation to pay on December 17 an amount equivalent to £1.8m. in respect of the earlier increase in its share of two drilling rigs. Sheaf has a 39 per cent. holding in Atlantic Drilling, a rigowning consortium which also includes Reardon Smith. The first rig was delivered in February, 1976, but has only recently obtained employment at poor rates due to the recession in the market. Sheaf has tried but failed to sell its stake in Atlantic Drilling and has had to face considerable financing costs. And because of inadequate cash flow the company is now "heavily dependent on its clearing bank for support."

The directors of Sheaf estimate that the liabilities of the group amount to £24.7m.

In the event of the offer being declared unconidtional, Ben Line intends ot continue to operate the business of Sheaf although there will be a number of changes including the reorganisation of the rigowning interests. At present Ben Line does not own any bulk carriers but believes Sheaf's vessels will provide a broader base to its activities.

OZALID SHARE PRICE MOVE

Speculation that a takeover bid could be in prospect for Ozalid, the sensitised paper manufacturers in which Imperial Chemical Indsutries has a near 12 per cent. stake, prompted a statement from the Board yesterday to the effect that no discussions had taken place, nor had any bid been received.

Jobbers marked Ozalid shares down to 80p on the denial, but subsequent demand left the price closing at the day's peak of 86p, for a net gain of 13p.

ICI, whose 12 per cent. stake could be critical in a takeover situation, was not offering official comment last night though it would appear that no approaches regarding that holding have been received.

Ozalid reported what were generally judged as disappointing half year results in September wilth pre-tax profits of £2.7m. compared with the corresponding period.

The Ozalid share price hit its peak for the year of 149p in May this year but had halved prior to the recent speculation.

DATAPLEX

Negotiations have now been successfully concluded between Technical Development Capital and the other shareholders of Dataplex, including Killick Martin and Company, which have strengthened the capital structure of the company and provided additional working funds.

This is the first stage of a planned refinancing to provide for further expansion and development and to satisfy growing export markets.

JAMES WARREN

In a circular giving details of recent disposals by James Warren, Mr. M. Nelmes-Crocker, the chairman, reveals that for the nine months to June 30, 1976 the group incurred a pre-tax loss of £327.000 compared with £422,000 in the six months to March 31, 1975.

This was struck after taking account of losses of £370,000 (£258,000) of subsidiaries sold or no longer trading. After extraordinary items of £429,000 (£271,000) there was a loss of £798.000 (£860.000).

The chairman says that the idisposal of C. Stevens and Sons, James Warren Insurance Services and Caterers' Buying Association has led to "a material improvement" in gearing and that, taking into account the substantial losses made by CBA and Stevens in the current trading period, "it is worth noting that our continuing activities more or less broke even."

The bulk of the extraordinary items relates to the write-offs following the disposals of CBA and Stevens, and this together with these subsidiaries losses means that there will be a loss for the 15 months ended December 31, 1976.

DALGETY AUSTRALIA

Dalgety Australia has bought the 1m. $1 nominal shares or the 50 per cent. interest in Port Philip Mills Pty it did not already own from William Haughton and Co. for $490,000.

ALFRED MARKS

Alfred Marks Bureau announces the completion of the sale of a freehold property in Dublin for £162,000 cash.

The net proceeds are expected to be slightly in excess of the book value of £150.000. The company has entered into a long lease under which it will continue to occupy the premises.

OCCIDENTALE

Acceptances under the Occidentale SA Glarus offer for Argyle Securities have now been received in respect of 11,429,309 shares (95.05 per cent.). The offer is unconditional and remains open.

CENTRE HOTELS

The conditional agreement under which Centre Hotels (Cranston) is to acquire the outside interests of 50 per cent. of the Regent Centre Hotel and 40 per cent. of the West Centre Hotel has now been completed.

SHARE STAKES

Central Manufacturing and Trading has purchased 152,852 Westwood Dawes ordinary shares (over 10 per cent. of capital).

British Industrial Holdings has been informed by the directors of Greenbrook Securities that they have purchased 35,000 Ordinary shares in the company and now hold a total of 2,417,558 (18.25 per cent.) shares.

London and Manchester Assurance now owns 775.000 Preference shares in Manchester Ship Canal.

Triplex Foundries well ahead

AN ADVANCE from £0.68m. to £0.92m. in group pre-tax profit is reported by Triplex Foundries for the half year ended September 30, 1976, and management accounts for the second half show that this progress is continuing, the directors state.

The interim dividend is increased by 10 per cent. to 1.408p —the total for 1975-76 was 3.77p paid from profits of £1.44m.

	First half 1976-77 £	First half 1975-76 £
Turnover	12 605,800	10.130.000
Foundries, etc.	8 432,000	6.711.000
Engineering	2 824,900	2 407 000
Other activities	1.411,000	1,055 [illegible]
Less internal sales	51,000	73 000
Profit*	915.992	676.709
Foundries, etc.	578.528	440 636
Engineering	215.875	177.514
Other activities	121 [illegible]	58 530
Taxation	491 000	364.000
Net profit	424.992	312 709
Dividends	119 [illegible]	[illegible]
Retained	305.407	29 [illegible]

* After £50.000 to augment pension fund (£105,000 for deferred repairs).

revenue increased from £427,425 to £450,592.

After tax of £132,938 (£125.997), including overseas tax of £17,488 (£13,363), stated earnings rose from 2.03p to 2.14p per 25p share and the dividend is raised from 1.4p to 1.6p net with a final of 1.1p.

The net asset value is shown at 72.5p (67.5p) per share.

Downturn at Thanet Trust

Thanet Investment Trust reports pre-tax profits down from £33,155 to £220.136 in the year ended October 31, 1976. Turnover fell from £392,245 to £290.290.

Earnings per share are 2.44p (3.23p). A net final dividend of 1.7p makes a total of 2.4p. Last year's total was also 2.4p but included a bonus of 0.4p.

After tax of £82,490 (£150,917) net profit was £137,646 against £182,238.

Humphries Holdings

After redundancy payments of £85,700 (nil) developers and printers of motion films Humphries Holdings incurred a reduced pre-tax loss of £83,100, against £212,100, for the six months to September 30, 1976, and the directors say the full year deficit should not be proportionately greater. The loss for 1975-76 was £0.51m.

First half turnover rose from £4.34m. to £4.63m. There was no U.K. tax charge, but overseas tax took £20 700 (£5,700), leaving a loss of £83,800 (£217,800) before minority interests.

'Times' Veneer profit upturn

Profits of "The Times" Veneer Company increased from £63,763 to £98,121 in the first half of 1976 before tax of £51,000 against £33,150. Sales improved from £1.49m. to £1.84m.

The directors consider these results encouraging and that the full year results will show a continuation of this steady and satisfactory progress.

The net interim dividend is stepped up from 0.17p to 0.185p. Last year's total was 0.342p on pre-tax profits of £114,587.

Increase by CLRP Trust

Gross revenue of CLRP Investment Trust advanced from £729,671 to £786,438 in the year to August 31, 1976, and pre-tax

DUNFORD & ELLIOTT

Yesterday's hearing, held in camera on the injunction brought by Dunford and Elliott against Johnson and Firth Brown—seemingly to restrain JFB from passing on privileged information about Dunford and also buying shares in the company for which it has made a proposed takeover bid—is to continue to-day.

Wingate Invs. incurs £1.5m. deficit

For the year to March 31, 1976, Wingate Investments incurred a pre-tax loss of £1.49m. compared with £0.18m. for the previous 12 months.

There is no dividend against a total 0.01p net for last year.

The company is a subsidiary of George Wimpey and Co.

	1975-76 £000	1974-75 £000
Gross rents	2.024	1.946
Expenses	885	815
Interest	2.649	1.957
Transfer to dev. props.	—	643
Loss before tax	1,490	184
Tax	—	1
Minorities	9	1
Extraordinary debit*	217	+26

+ Credit. * Dealt with through capital reserve.

MINING NEWS

Saudi Arabia's mining hopes

BY KENNETH MARSTON, MINING EDITOR

LOOKING AHEAD to supplement and, eventually, replace oil revenue with income from minerals the Saudi Arabia Government has allocated some £188.5m. (£114.5m.) for mineral exploration in its current five-year development plan, reports our Jeddah correspondent. He adds that this allocation could double or even triple before 1980.

As already reported here, three exploration licences have been already granted to foreign companies: Consolidated Gold Fields is setting up camp at Mahd adh Dhahab (Cradle of Gold) 280 km. north-east of Jeddah; Sweden's Granges is to explore extensive phosphate finds around Thaniyat, 220 km. from Tabuk in the north-western part of the country, and Canada's Noranda is to prospect for base-metals at Kutam-Talah in the southern Asir province.

British Steel has a $15.5m. contract to develop an iron ore find at Sawawin while the Rio Tinto-Zinc group is to carry out a $57m. exploration programme in the country. Exploration licences include exclusive rights to obtain 30-year mining leases, but the State's Petromin company retains the right to participate up to 50 per cent. in joint ventures to exploit any finds.

The Mahd adh Dhahab gold field was recently re-evaluated by the U.S. Geological survey and a report is expected to be published in about six months. A mine which was operated there by the Saudi Arabian Mining Syndicate in conjunction with an American company, was closed in 1957. Like many others, the Saudi Government is also keen to see viable uranium finds made, but little success has been achieved in this direction so far.

BISICHI TIN IS PAYING MORE

The London mining and investment company, Bisichi Tin, is paying a net dividend of 0.234p for 1975 after 0.213p in 1974. The shares remained unchanged yesterday at 4p.

A loss of £63,921 at the Nigerian mining subsidiary caused profits at the pre-tax level to drop to £1,964 from £82,020 in 1974. But the fall was expected. The chairman, Mr. W. T. Meredith Browne, pointed out in October last year that costs were increasing and that production was down owing to delivery delays for essential mining equipment.

WESTERN MINING PRODUCTION

At Western Mining's Kambalda mine in Western Australia, the amount of ore treated in the four weeks to November 16 dropped to its lowest level since March-April at 105.102 tonnes. The figure in the previous four weeks was 119,574 tonnes, but included 11,887 tonnes purchased.

The nickel grade of the ore at 2.59 per cent. was the lowest since February 1971. The grade in the preceding four weeks was 2.87 per cent. Nickel concentrate production at 19,079 tonnes, compared with 25,646 tonnes in the four weeks before, was at its lowest level since April-May.

At the Windarra mine, where Western Mining's share

Extel's 10% mid-term rise

A TEN per cent. rise in pre-tax profit to £918,000 was achieved by Exchange Telegraph Company (Holdings) for the six months to September 30, 1976.

Earnings per 25p share improved to 4.84p (4.46p) and the interim dividend is raised by the maximum permitted to 1.614p (1.47p). Last year's total was 4.4075p from profit, struck after charging £269,000 deferred revenue expenditure of £1.51m.

The chairman, Mr. John L. Harvey, says that it is likely that profit for the full year will exceed that of last year.

The sporting and financial news services made increased profits during the six months, and, as forecast, the results from Extel-PA Show, the visual display service for betting offices, were much improved.

Burrup Mathieson Printing Group attained a good overall level of profit. Printing for the increasingly active Eurodollar market offset generally depressed margins and the low level of City activity compared with last year.

Results of Robophone were disappointing, mainly due to low prices prevailing in the market and the difficulties of many small businesses which comprise the majority of its customers.

	Half-year 1976 £000	Half-year 1975 £000
Turnover	8,556	7,574
Trading profit	893	875
Investment income	25	nil
Pre-tax profit	918	875
Taxation	489	440
Net profit	429	395

Strong attack on Cornercroft policies

Mr. Denzil How, a dissident shareholder in Cornercroft who is calling for the removal of the company's chairman and the appointment of himself and two colleagues as directors, launches a strong attack on recent Board policies in a circular to shareholders.

Mr. How has a 7.2 per cent. stake in Cornercroft and claims to have the support of 24 per cent. of the company's shares including a "leading city merchant bank." He criticises the "stagnant" profits record over the past ten years and the performance of the group's share price which he describes as "abysmal" as it is below the level of 1965.

He says Cornercroft has a strong assets base from which to expand and through its Dutch subsidiary, a foothold in Europe. On his calculations it should be possible over the next two years to release substantial sums from stocks and debtors—over £2½m. in relation to turnover of £4m. in the last balance sheet—for profitable investment.

Proper leadership and investment should mean, according to Mr. How, an early restoration of pre-1973 dividends and a rise in the capital value of the company's shares.

The resolutions, which are due to be considered at an EGM on December 16, have met with the disapproval of the Cornercroft Board, headed by Mr. A. W. Hart-

week. It feels the proposals are not in the interests of shareholders.

Downturn at Wade Potteries

FOR THE year ended July 31, 1976, pre-tax profits of Wade Potteries fell 3.9 per cent. to £655,047. External turnover was 14.6 per cent. higher at £6.25m.

At halfway, profits were £304,789 against £302,616 and the directors again drew attention to the reduced demand for certain of the group's products. This lack of buoyancy continued throughout the year, they now report.

Three factories were unable to work to optimum capacity. It was not possible to recover higher costs and profit margins suffered. —Earnings per share are down at 3.927p (4.385p) but as anticipated a final dividend of 0.694654p makes a maximum permitted total of 1.136154p against 1.00599p previously.

The directors say that during the first quarter of the current year there has been an improvement in level of demand with the result that full time working has now been resumed at all factories. The benefit of this will take time to work through and will certainly not enable an impressive result to be achieved in the first half.

However, they have reason to view the future with optimism, despite present unsettled conditions.

Throughout the year the Board continued to invest in new plant and equipment to ensure that production capacity and techniques are fully adequate to take advantage of an upturn in trade. A detailed review of design, product development and marketing organisation is being made with object of [illegible]; both the product range and area of operations, particularly in the export field.

	1975-76 £	1974-75 £
External sales	6,252,125	5,454,903
Profit before tax	655,047	681,326
Tax	340,792	338,569
Net profit	314,255	342,757
Preference div.	2,100	2,100
Ordinary divs.	91,911	78,661
Retained	220,244	261,996
Forward	1,230,252	1,010,008

R. A. Dyson slumps at six months

Trailer manufacturers and engineers R. A. Dyson and Co. reports turnover down from £1.01m. to £0.94m. and a slump in taxable profitsf rom £72,885 to £1,007 in the six months to September 30, 1976.

The directors say that although the order bok is somewhat lower than six months ago, enquiries are encouraging and with the higher rate of production which is now being achieved, they anticipate that a reasonable profit will be made in the second half of the year. Profit for the last full year was £75,282.

The interim dividend is maintained at 0.4875p net per 25p share. Last year's final payment was 2.104375p.

First half profit is struck after adding investment income of £860 (£829) and debiting £1,512 (credit £128) for loss on sale of securities.

After tax of £1,058 (£36,140) there is a loss of £51 (profit £36,745).

ABERDEEN TRUST

Aberdeen Trust announces that it has repaid the loan facility of U.S.$2.3m. received from Clydesdale Bank on January 24, 1973.

BANK RETURN

	Wednesday Nov. 24 1976	Inc. (+) or Dec. (—) for week
BANKING DEPARTMENT	£	£
LIABILITIES		
Capital	14,553,000	—
Public Deposits	18,687,391	— 1,236,823
Special Deposits	1,806,025,000	—
Bankers	251,800,825	— 73,236,052
Reserves & Other Accs.	463,284,418	+ 19,252,419
	2,554,260,634	— 55,239,462
ASSETS		
Govt. Securities	1,822,506,893	— 31,965,000
Advances & Other Accs.	637,867,365	+ 26,872,869
Premises, Equip't & other Secs.	84,548,574	+ 183
Notes	9,433,525	— 5,606,737
Coin	208,374	— 15,081
	2,554,260,634	— 55,239,462
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,700,000,000	+ 60,000,000
In Circulation	6,690,666,475	+ 44,393,263
In Bank'g Dept.	9,433,525	+ 5,606,737
ASSETS		
Govt. Debt	11,015,100	
Other Govt. Secs.	5,926,968,008	+ 19,583,166
Other Securities	762,016,892	+ 30,416,234
	6,700,000,000	+ 60,000,000

£1m. from Lee Cooper so far

ON TURNOVER some £5.23m. higher at £14.44m., pre-tax profits of jeans and casual wear manufacturers Lee Cooper Group more than trebled from £311,000 to £1,063,000 for the half year to September 30, 1976.

The directors feel confident that results for the full year will be very satisfactory. However it would be wrong, they point out, to anticipate results on the basis of the interim report and to assume a similar increase during the remaining six months. The U.K. trading company's accounts will be closed at December 31, and the most profitable three months' trading of that company will therefore be excluded.

The interim dividend is effectively raised from 0.54166p to 0.8125p net per 25p share and the Board intends to pay the maximum for the year. Last year's total was equal to 1.625p paid from pre-tax profits of £1.02m.

The Board now intends to despatch the accounts in January, when shareholders will also receive details of all disposals and information on the present structure and business of the company.

● comment

A £260,000 turnround to profits by the U.K. operation and continued buoyant trading in Europe have taken Lee Cooper's interim profits 240 per cent. higher before tax. At 60p the prospective yield of just 4.6 per cent. does not look over-generous, but with full-year profits likely to beat £1.85m., the dividend should be covered more than four times. Also, with demand for denim clothes as strong as ever and the main benefit from the home company recovery likely to come next year (whose results will again be included for a full twelve months) the upward trend of earnings should be safe in the medium term.

£0.2m. seen by Amber Industrial

Taxable profit of Amber Industrial Holdings rose from £80,000 to £126,000 in the six months to September 30, 1976 and the directors forecast aproximately £200,000 for the full year against £175,000 for the previous 12 months.

The increase in first half profit stems principally from the engineering subsidiary whose profits do not necessarily accrue evenly over th year being dependent, inter alia, on the completion dates of larger contracts.

	Six months 1976 £000	Six months 1975 £000
Group turnover	1,2[illegible]	76[illegible]
Trading profit	130	89
Interest paid	4	9
Profit before tax	126	80
Tax	65	42
Net profit	61	38

The company, which is controlled by Caledonia Investments, has interests in the manufacture of aerosols, refractory fittings, tubular products and in turkey farming.

FRANCIS PARKER

The 1976 accounts of Francis Parker have been delayed as a result of the work required in respect of the sale of the company's marine and land-based gravel and ready-mix concrete interests to Amey Roadstone Corporation.

Better trend at Hay's Wharf

REFLECTING a marked improvement in the second half, particularly in the last quarter, group pre-tax profits of the Proprietors of Hay's Wharf finished the year to September 30, 1976, down by £267,000 to £1.97m.—strck after lower pre-operational interest and other costs relating to new trading projects of £65,000 against £512,000. At halfway a fall from £1.54m. to £0.58m. was reported.

After a tax credit of £22,000—due to release of earlier year provisions — (£557,000 charge), minorities and extraordinary debits of £96,000 (£220,000), the net attributable surplus emerges up from £1.45m. to £1.89m. Earnings per £1 share before the extraordinary items are 11.49p against 9.6p.

The dividend is unchanged at 4.43p net, with a final of 3.137p.

The group's properties held for investment by London Bridge Securities (located mainly in the Tooley Street area) were professionally revalued at September 30 at £7m. compared with a 1973 valuation of £15m. The shortfall is being charged against surpluses arising on prior years revaluations.

The industrial and warehouse properties in other parts of the U.K. (having a book value of £21m.) have not been revalued as the directors feel that the 1976 values are unlikely to differ materially from the 1973 valuations.

	1975-76 £000	1974-75 £000
Group turnover	40,390	38,300
Trading profit	1,864	2,6[illegible]
Share of associates	187	1[illegible]
Profit	2,051	2,745
Pre-operational interest, etc.	65	512
Pre-tax profit	1,986	2,233
Tax credit	22	*557
Net profit	1,955	1,676
Minorities	1	2
Extra-ord. debits	95	220
Attributable	1,889	1,454
Pref. dividends	91	91
Ordinary shares	770	750

* Charge.

Marling ahead in first half

Industrial textile manufacturers Marling Industries reports an increase from £271,000 to £303,000 in pre-tax profit for the half-year ended September 30, 1976, including an associate's contribution up from £28,000 to £39,000.

The interim dividend is raised from 0.45p to 0.49p net—the total for 1975-76 was 0.9244p, from profits of £538,000.

Sales in the half-year rose from £4.33m. to £5.1m. The net profit emerged at £146,000 (£141,000), after tax of £157,000 (£130,000).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or —	Div. Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	£31⅞	£25⅛	Esmark $C51	£28½	+¼	Q$1.92	—	3.0	—
—	F.P.	—	30⅞	29⅛	Utd. Technologies US$	£29⅞	—⅛	Q$1.20	—	2.5	—
—	F.P.	7/1	187	183	Willis Faber 25p	185	—2	7.0	2.4	5.9	18.8

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or —
††£95	£10	—	11½	11½	Essex Water 9% Red. Pref. 1982	11½	....
$US100	F.P.	—	$10[illegible]	$98½	[illegible] Notes 1985	$98½	....
KD[illegible]	F.P.	—	[illegible] KD	[illegible] KD	Kuwait Development Bk. [illegible] Bonds 197[illegible]	[illegible] KD	....
$US100	F.P.	—	$100	$98½	Midland Int. Fin. 8⅝% Guar. Bds 1986	$98½	....
[illegible]	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	70	....
$100	F.P.	—	$99¾	$99	Nova Scotia (Prov. of) [illegible] Db. 1985	$99	....
$US99	F.P.	—	$99½	$98	Sth. of Scotland Elec. 8¾% Guar. Notes 1981	$99½	....
$US98½	F.P.	—	$99½	$98	Sobra Skogsagarna 9¾% Guar. Bds. 1986	$99½	....
£94½	10	7/1	[illegible]	[illegible]	[illegible] Hundred W[illegible] Red. Pt. [illegible]	10[illegible]	....
—	F.P.	7/1	75½	75	Willis Faber 7% Cum. Pref.	75½	....

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or —
54	Nil	—	—	9	4	Assoc. Engineering	9pm	+2
$A4	Nil		3/12	380	225	Broken Hill Props.	230pm	+5
11	Nil	6/12	7/1	1½	½	Cray Electronic	1pm	....
25	F.P.	22/10	11/12	32	26	Fairbairn Lawson	30	—1
124	F.P.	1/11	17/11	130	119	General Accident	130	+2
100	F.P.	29/10	10/12	130	101	Howden (Alexander)	126	+2
$A1.75	Nil	5/12	17/12	65	45	National Bank of Australasia	55pm	....
$A1.20	F.P.	16/6		141	80	Western Mining	82	....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend, cover based on previous year's earnings. w Figures based on prospectus or other official estimate for 1976. Q Gross. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♦ Offered to holders of Ordinary shares as a "rights." ♥ 290 S Afr. cents. ‡ Rights by way of capitalisation. ¶ Tender allotment price. ● Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ♣ Introduction. ▲ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants. ♦ After suspension. KD Kuwait Dinar.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

'Excessive investment' causes Toyo bankruptcy

BY CHARLES SMITH, FAR EAST EDITOR — TOKYO, Nov. 25.

JAPAN'S biggest company failure of 1976 occurred to-day when Toyo Valve, a major privately-owned manufacturer of valves for the oil and shipbuilding industries, announced it was seeking protection under the Company Rehabilitation Law.

Toyo has a capital of Yen2.4bn. but is privately estimated to have accumulated liabilities of around Yen 32bn. (nearly £70m.) as a result of "excessive investment" in production facilities during the 1974-75 recession.

Toyo's main valve factory in Ganano is said to be the largest of its kind in Asia but the company has placed its main emphasis on medium quality mass production valves which have been the weakest sector of the market during the recession.

Concentration on medium rather than high quality products meant that Toyo's export ratio was low and that it largely failed to participate in Japan's plant export boom early this year.

Toyo's sales were worth Yen27bn. in the 12 months ending November 1974 but fell to Yen25.9bn. in the following year. For the business year which has just ended the company is expected to announce another sales decline.

The Toyo bankruptcy is very small indeed compared with the biggest 1975 failure, the Y150bn. collapse of the Kohjin company. However, to-day's news is symptomatic of a rising trend in failures among small and medium Japanese concerns during the past few months. The total number of bankruptcies of companies (with a capital of Y10m. and over) reached 1,489 in October compared with 1,278 a year earlier and 1,357 in September.

Japan always experiences a seasonal rise in business failures toward the end of the calendar year but this year's collapses are showing a substantial increase over 1975 levels. The explanation lies in the persistent slackness of domestic demand within Japan.

Thiess to spend $A70m. on trebling coal mine output

BY JAMES FORTH — SYDNEY, Nov. 25.

THIESS HOLDINGS, civil engineer, miner, and motor vehicle distributor, plans to spend $A70m. to treble output of its South Blackwater coal mine in Queensland. Sir Leslie Thiess, chairman, told shareholders today at the annual meeting in Brisbane. He also disclosed that Thiess was negotiating to lift its equity stake in the potential $A800m. Nebo coal project in Queensland.

The South Blackwater mine last year produced 659,000 tonnes of coking coal—305,000 tonnes from underground operations and 354,000 tonnes by open cut. Development of a large open cut operation will be completed by 1980 to lift production to 2m. tonnes a year.

Sir Leslie pointed out that the future of coal mining at South Blackwater had been jeopardised by soaring costs coupled with declining productivity. In frank discussions with the labour unions involved it had been pointed out that if the underground mine continued to be uneconomic it would be the death blow to establishment of further underground coal mining operations in the Bowen Basin. Productivity had increased in recent months and the unions had been told this should be established on a continuous pattern as any repetition of the past "stop-go" tactics could only place the future of the total mining operation in jeopardy.

Sir Leslie referred to the proposed sale by Kennecott Copper of its Peabody coal subsidiary to a consortium of companies. Under the arrangement, Broken Hill Proprietary Company is to purchase Peabody's Australian assets, which consist of a 58 per cent. stake in Thiess-Peabody-Mitsui. Thiess owns a 22 per cent. interest in TPM. Sir Leslie said that Thiess had "certain first rights of refusal" if Peabody wished to sell out of TPM and there had been no change in this situation.

"As I understand it, the sale is still subject to the approval of the U.S. Federal Trade Commission which may not be available for some time," he said. TPM at present owns the Nebo deposit and has been endeavouring to establish a large export-based operation. Sir Leslie said discussions had been taking place between Thiess and the TPM partners on a suitable basis to increase Thiess' equity participation in Nebo.

On the group as a whole, Sir Leslie said results for the first three months of 1976-77 were ahead of budget and also ahead of the results for the same previous period. He added that the recent purchase of a 12.75 per cent. equity in Pioneer Sugar Mills, a major sugar producer, would enlarge the present diversified base of Thiess.

EUROBONDS

Orient raises further $20m.

BY TONY HAWKINS

THE ORIENT Leasing Group is to raise $20m. in the Eurobond market with a seven-year bond issue, full details of which will be announced early next month. Lead managers of the underwriting syndicate will be Daiwa Securities and Manufacturers Hanover. A coupon of either 8¼ or 8½ per cent. is being forecast and the issue is to be guaranteed by Sanwa Bank Ltd.

Earlier this year Orient made a $15m. issue in the Eurobond market and has recently made a $10m. private placing in the Asian dollar market.

Lead managers for the DG Bank Finance Co floating issue of $50m. (originally $40m.), S. G. Warburg and Co., announced yesterday that the offering was more than three times subscribed despite the increase in the size of the issue and the accelerated selling period. The coupon was ¼ per cent. above Libor (London interbank offered rate) with a 6¼ per cent. minimum and the notes have a six-year maturity.

In the secondary market, Canadian issues mounted a rally yesterday but the general weakness was such that they were still about ¼ of a point down on the day, largely on currency fears.

Elsewhere dollar bond prices were probably ⅛ of a point better in active trading. The South of Scotland issue, priced this week at 99 continued to trade in the 97¾/98¼ range with the lead managers supporting the market. In the Midland issue the price was kept in check by further selling at the 97½/98 level. The announcement of a further $50m. two-tranche bond issue by AB Gotaverken adversely affected the already-quoted bonds which slipped back to 98¼/99¼ from 99¼/100¼ previously.

The Fuji Heavy Industries DM30m. 5-year Euromark private placement has been priced at par with a 7 per cent. coupon.

BONDTRADE INDEX

	Thursday	Wednesday
Medium	101.69	101.64
Long	93.33	93.32
Convertibles	104.77	104.68

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1986	104¼	105¼
Australia 9½pc 1991	99¾	100¾
Bowater 9½pc 1986	103½	104
Canadian N. Rwy. 8¾pc '86	100	100¾
C.N.E. 9½pc 1985	101½	102¼
Denmark 8½pc 1984	98	98½
E.C.S. 9½pc 1986	102	102½
E.I.B. 8½pc 1988	99½	100¼
Erap 9½pc 1985	102½	103¼
Esso 8pc 1986 Nov.	103½	104¼
Eurofima 9½pc 1987	101½	102½
Granges 9½pc 1985	102½	103
I.S.E. Canada 9½pc 1986	104½	105
Massey Ferguson 9½pc 1991	104¼	105½
Michelin 9½pc 1988	101½	102½
Midland Int. Fin. 8½pc '86	97½	98
Modo 9pc 1986	97½	98½
Nat. Westminster 9pc 1986	99½	100¼
Newfoundland 9½pc 1988	101	101½
Norpipe 9½pc 1986	102½	103
Norsk Hydro 9pc 1991	100½	101½
Oslo 9pc 1988	101	101½
Ports Autonomes 9pc 1991	99½	99¾
Prov. Quebec 9pc 1984	101½	102½
Quebec Hydro 8½pc 1986	98	98½
Prov. Saskatchewan 8½pc 1986	101½	102
Skandinaviska Enskilda 9pc 1991	98½	99½
Volvo 9½pc 1985	102½	103½
NOTES		
Australia 8½pc 1983	101½	102
Australia 8½pc 1986	100½	101½
E.C.S. 8½pc 1981	102	102½
E.E.C. 8½pc 1982	100½	101
Kockums 8pc 1983	97½	98½
Michelin 8½pc 1983	100½	101
Montreal Urban 8½pc 1981	100½	101
Nat. Coal Board 8½pc 1981	100	100½
New Brunswick Prov. 8½pc 1983	102	102½
New Zealand 8½pc 1986	99½	100½
Nippon Fudosan 8pc 1981	99½	100
Sth. of Scotland Elec. 8½pc 1981	97½	98½
FLOATING RATE NOTES		
B.F.C.E. 6½pc min. 1983	99½	99½
O.K.B. 6½pc min. 1982	99½	100½
Bk. Tokyo Holding 6½pc min. 1981	100½	101½
Midland Bank 7½pc min. '83	100½	101½

D. MARK BONDS	Bid	Offer
Beecham 8pc 1987	101½	102
E.I.B. 6½pc 1984	98½	99
Giro. Vienna 7½pc 1983	100½	101½
New Zealand 7½pc 1986	103½	104½
Pemex 8½pc 1983	98½	99

Source: White Weld Securities, London.

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	83	85
Ashland 5pc 1988	84	86
Beatrice Foods 4½pc 1992	100	102
Beatrice Foods 4½pc 1992	118½	120½
Borden 5pc 1992	101½	103½
Broadway Hale 4½pc 1987	78	80
Canon Camera 7½pc 1989	169	171
Carnation 4pc 1987	84½	86½
Chevron 5pc 1988	66½	68½
Dart 4½pc 1987	85	87
Eastman Kodak 4½pc 1988	104	106
Economic Labs. 4½pc 1987	76½	78½
Fed. Dept. Stores 4½pc '85	116½	118½
Firestone 5pc 1988	85½	87½
Ford 6pc 1986	94½	96½
Ford 5pc 1988	84	86
General Electric 4½pc 1987	82½	84½
Gillette 4½pc 1987	72½	74½
Gould 5pc 1987	103	105
Gulf and Western 5pc 1988	90½	92½
Harris 5pc 1992	95	97
Honeywell 6pc 1986	82½	84½
ITT 4½pc 1987	76½	78½
Komatsu 7½pc 1990	100	101½
J. Ray McDermott 4½pc '87	134½	136½
Mitsubishi Elec. 7½pc 1991	103	104½
Mitsui 7½pc 1990	102	103½
J. P. Morgan 4½pc 1987	109	111
Nabisco 5½pc 1985	95	97
Owens Illinois 4½pc 1987	113	115
J. C. Penney 4½pc 1987	84	86
Pioneer 6½pc 1989	284	—
Raymond 8½pc 1983	101½	103½
Revlon 4½pc 1987	110½	112½
Reynolds Metals 5pc 1988	86½	88½
Sperry Rand 4½pc 1987	95	97
Squibb 4½pc 1987	76½	78½
Texaco 4½pc 1988	76½	78½
Toshiba 6½pc 1990	104	105½
Union Carbide 4½pc 1982	102½	104½
Warner Lambert 4½pc 1987	80½	82½
Warner Lambert 4½pc 1988	77	79
Xerox 5pc 1988	78	80

Source: Kidder, Peabody Securities.

Denmark Euroloan increased to $400m.

By Tony Hawkins

The five-year syndicated Euroloan to Denmark originally announced at $300m. has now been increased to $400m. It was confirmed yesterday that the Denmark loan, with the Citicorp International Group as lead manager, had been raised to $350m. prior to syndication and then again to $400m. during the syndication process. The spread remains at 1½ per cent. above Libor (London interbank offered rate).

Announced to-day is a new $80m. two-tranche Eurocredit for the Brazilian steel group —Companhia Acos Especias Itabira (Acesita). Acesita is 67 per cent. owned by the Banco do Brasil which is guaranteeing the loan. There is to be a five-year tranche, fixed and floating, on a spread of 1¾ per cent. and a seven-year tranche with a spread of 2¼ per cent. The management group is led by Chemical Bank, Libra Bank, Chase Manhattan and European Brazilian Bank. Acesita is the largest producer of speciality steel in Brazil and the loan will be used to expand production to reach 1m. metric tons of steel ingots by 1980.

New Fairview offer of $284m. for Irvine

TORONTO, Nov. 25.

CADILLAC FAIRVIEW said it made a revised offer of $284m. to purchase all the outstanding shares of Irvine Co., reports Reuter.

The total consists of $164m. in cash and $120m. in ten-year notes, Cadillac said.

It noted that the James Irvine Foundation owns 4,590,000 shares of Irvine and said the offer to the Foundation consists of a total of $158m. of which $56m. is in cash and $102m. in ten-year notes.

Minority shareholders own 3,825,000 shares and the offer to them would total $126m. of which $108m. would be in cash and $18m. in ten-year notes, it said.

Utd. Breweries advance

COPENHAGEN, Nov. 25

THE UNITED Breweries (Carlsberg and Tuborg) announced an increase in group profits for the year ended September 30 from Kr.85.6m. to 100.1m., reports Hilary Barnes.

The brewery has proposed an unchanged 12 per cent. dividend. Group sales excluding taxes, increased from Kr.4.36n. to Kr.4.97bn.

The mother company's net result increased from Kr.78m. to Kr.87.9m.

Good Macy prospects

R. H. MACY is encouraged by prospects for good growth in business in 1977, chairman Mr. Donald B. Smiley told the annual meeting in New York, Reuters reports.

Sales for first quarter ended Octber 30 were 10.2 per cent. over same period last year. This trend has continued through November to date, Mr. Smiley added. While Macy's cannot predict what spending by the public will be this Christmas there are good indications it will increase.

The company reported first quarter earnings of $1 a share compared with 98 cents a year ago.

Midland Bank opens up office in Brazil after 50 year wait

BY SUE BRANFORD — SAO PAULO, N[ov. 25.]

ALTHOUGH THE Midland Bank has been active in Brazil for over 50 years, it is only to-day that it is opening its first representative office. The Midland Bank has taken part in some of the major loans going to Brazil, including financing for the famous Rio-Niteroi Bridge and Galeao, the international airport in Rio de Janeiro. It was also co-manager of the controversial $300m. loan contracted by the Sao Paulo State Government in December, 1975. Mr. Malcolm Wilcox, a director at the bank, put the bank's present exposure in Brazil at "several hundreds of millions of dollars."

Mr. Wilcox added that the group was keen to expand into new areas. Rather than commercial activities, he considered it more likely that the bank would move into leasing, factoring, hire purchase services and other similar activities.

Mr. Bruce Smith, general manager (international), emphasised the bank's confidence in Brazil. He claimed that the country was encountering no difficulties in finding loans. Con[]tradicting reports in [the Brazi]lian Press, he said th[at] on these loans had b[] over the last year.

On the Brazilian Go[vernment's] recent severe cuts [in] spending, Mr. Smith [] were traditional, soun[d] that were undoubtedly[] given Brazil's presen[t] problems. Mr. Geral[d] drew attention to the [] between the difficultie[s] and Britain.

Barclays Bank o[pened a] representative office i[n] 1972. In 1973 it bou[ght a] share in the investi[ment] and finance comp[any of the] Brazilian banking gr[oup] de Credito Nacional. [] Sole, Barclays' repres[entative in] Sao Paula, said that [] was "very satisfied" [] venture. The value [of share]holders' equity incre[ased] fold from 1972, [] Cruzeiros 431m. (£[]) 1975. Net income [] even more quickly [] Cruzeiros 133m. (£7.0[]) which is a fivefold in[crease] 1972.

Occidental in Peru

LIMA, [Nov. 25.]

OCCIDENTAL Petroleum will increase its investment in oil exploration in Peru's northern jungles by $51m., a company spokesman disclosed to-day.

Occidental's exploration has already cost $140m. since it obtained a 2.5m. square-acre concession from the State company, Petroperu.

The U.S. company has succeeded in discovering oil in 23 of 27 wells drilled to date, Mr. Eduardo Bustamante, the branch's vice-president, said. There was no indica[tion of the] period over which [] investment would be [].

Occidental and Pe[] the only companie[s to have] found commercial q[uantities of] light to medium [] Northern Peru.

According to Mr. [] Occidental would [] pump 80,000 ba[rrels] through a spur to th[e] Peru pipeline when [] of the spur was [] about 15 months. AP-DJ.

Sogepet drill program[me]

TORONTO

SOGEPET said that engineering plans are being prepared for drilling up to an additional 16 natural gas development wells on a 2,300-acre parcel in Chautauqua County, N.Y., reports AP-DJ.

The company said three "successful" gas wells have been drilling but it declined to disclose test results.

Sogepet has a 30 per cent. interest in the land. Other participants include Seis-Ex Geophysics a private concern, as operator, and Alminex.

Sogepet said the [] programme is expe[cted to cost] $1.5m., of which Sog[epet's share] would be $450,000. [] It would finance its [] bank loans.

It siad financin[g and] marketing negotiati[ons are in] progress." The [] should take four to [] using one drilling [] begin "as early as 1977," it added.

Sogepet's intere[st is held] through its U.S. [] U.S.A.

صفحة من الأصل

ak sales abroad dampen ·echst's profit advance

LAS COLCHESTER

BONN, Nov. 25.

he West German ompany, to-day 4 per cent. increase over for the first . Sales for the s were DM17.18bn. DM11.44bn. were ; in the first two, use of weakness in the first quarter, wed little change in the first two, below the average it in the first half.

ement said it ex- les of the parent chst AG, to be of the same order as the DM9.66bn. booked in 1974. It noted that growth in the first nine months of this year had been specially visible in business areas that had suffered particularly during the slump—organic chemicals, dies and plastics. The flattening of the sales curve abroad was reflected, too, in Hoechst AG's exports.

Hoechst's use of installed capacity in the third quarter was about 80 per cent.—although this level of utilisation brought with it a reductio nin stocks. But the management said that utilisation in the fibre area had deteriorated considerably in the late summer, leadgni to renewed short time wrok. It noted that business in Texturised polyester fibre in the U.S. had been particularly difficult.

Turnover of Hoechst AG in the first nine months was up by 17.4 per cent. to DM7.24bn., with the export share marginally increased to 50.6 per cent. Profit was up by 92.7 per cent. to DM636m. before tax, against DM330m. last year. Hence the profit-to-turnover ratio increased from 5.4 per cent. to 8.8 per cent. for the three quarters in question.

ked prospects for Thyssen

LAS COLCHESTER

BONN, Nov. 25.

MINARY report , the largest steel urope, for the year on September 30 ely happy reading ed with the mood ector as a whole.

ment confirms that to hold the divi- 10 per DM50 share at Thyssen will, e able to put free reserves.

ny describes the ie year as "satis- the bulk-steel busi- s results improved ess continued to In special steels broke even. The manufacturing in- nade a profit, and Thyssen industry's the capital goods d an improved ding result showed vement, and Thys- ation profit made tribution."

for the coming mixed because evelopments in the area have been offset by an order slump on the steel side.

Thyssen reports that orders for manufactured goods have come in at an increasing rate since the spring and that they were really satisfactory in October. In the special steels business, orders—particularly domestic orders—were satisfactory until the summer but fell away thereafter. The problem area was bulk steel where customers have reduced stocks because of the disappointing development of the capital goods industry as a whole. At the same time, export markets for steel have weakened and the competition from foreign steel producers, particularly the Japanese, has increased.

Despite this problem, Thyssen remains determinedly optimistic for the coming year. It expects the upswing in steel orders to recover from its failure in 1976 and to get under way again in 1977. Its management says that changes in the world economy are making demands on the flexibility of German industry, but that Thyssen will adjust appropriately. Thyssen sees the outlook for the 1976-77 business year as "in no way unfavourable."

● Fried Krupp Huettenwerke expects to make a lower operating loss this year than the DM144m. loss of 1975, Reuters reports from Bochum.

A company spokesman said the concern ran at a loss up to the summer but returned to profits in August/September, following the introduction of new plant and cost saving measures. But he could not say whether the company will remain profitable in the final quarter.

The average monthly turnover in the first nine months this year was DM254m. against an average DM222m. in the first 10 months last year.

The spokesman said the company expects a loss in December and January for seasonal reasons. Outlook for the next few months is generally clouded by the fall off in steel orders which started in the summer.

There are no signs in the near future of any substantial rise in incoming orders and the company may have to adapt production to lack of demand.

THE LAFARGE GROUP

Cultivating a solid image

BY DAVID CURRY IN PARIS

"THE TROUBLE with cement is that there is no way of making it glamorous, no matter what sort of results we produce," Olivier Lecerf complains in a well rehearsed party piece. But he is only slightly less than frank for a reputation for solid and prudent management is exactly the image cultivated by the French cement manufacturer Lafarge—of which M. Lecerf is chairman.

Third biggest

Exciting or not, Lafarge is the world's third biggest cement producer, while its 54 per cent. stake in the $C400m. turnover Canada Cement, Lafarge and its 50-50 joint venture with Lone Star in the south east U.S. through Citadel Cement qualify Lafarge as North America's biggest producer.

Including expanding Brazilian interests (carrying high hopes) and the Canadian operation (dogged by strikes and price controls) the Lafarge group embraces 120 companies in 17 countries with 26,000 workers contributing to sales which should end this year at Frs.5.8bn. France contributes 46 per cent. of turnover, and Canada 31.5 per cent., with other areas still very small in comparison. The target is to produce Frs.10bn. turnover in 1980.

The lion's share of business is cement—and Lecerf insists that the company has no intention of straying far from cement-related activities. Cement accounted for 44 per cent. of 1975 turnover and concrete and concrete products a further 15 per cent., while cement and derivates has been commanding some 80 per cent. of investment. The most recent cement acquisition was this summer's purchase of a stake in Portland Zementwerk Woessingen of Karlsruhe. This represents the group's first investment in ordinary Portland cement in Europe outside France, and Germany clearly figures prominently in the group's forward planning.

The hope is that by 1980, the six main non-cement activities will contribute about 30 per cent. to consolidated profits against their current share of between 10 and 12 per cent. Their current contribution to turnover is pre-bathroom installations (7.4 per cent.), paper packaging (6.4 per cent.), refractory products (5.2 per cent.), plaster and plaster products (4.6 per cent.), aluminium products (3.3 per cent.) and diverse activities including engineering (2.1 per cent.).

France is far and away the group's biggest cement market, with 15.38m. tonnes of the global total of some 25m. tonnes. The group has followed an active policy of regrouping in France and expansion of its interests. Over the first half of 1976, for example, Ciments Lafarge France reinforced its position in the cement products sector in Western France by regrouping seven concrete operations into Beton Chantiers del'Ouest while it lifted its stake in the Breton concern, Rennaise de Prefabrication, a Frs.76m. a year operation with six plants from 35 to 85 per cent.

"On the global level there are two main lines of expansion," M. Lecerf declares. "We want to continue our geographic expansion (the U.S., Germany and Brazil are the promised lands according to current expectations) while we also want to continue the policy of diversification. But present priority is to get all the diversified operations making profits before we look further."

A second important financial priority is to concentrate on improving dividends in order to encourage conversion of the 1972 Frs.250m. (6 per cent.) loan, and the company has already promised a higher dividend for 1976 on profits expected to be 20-25 per cent. higher.

M. Olivier Lecerf

Broadly the group observes a financial discipline which dictates that overall indebtedness on a group level should not exceed four or five times cash flow. However, on an individual company level this means considerable variations, with "permissiveness" higher in the cement concerns which require very heavy investment—Lafarge estimates it takes Frs.450 investment to produce every tonne of cement in a new plant.

This year all activities will contribute to profits, according to M. Lecerf. But fortunes are varied. France, for example, will fall short of expectations. The government's price freeze halted negotiations for a 6-7 per cent. price increase which the company saw as necessary to compensate for higher fuel prices. However, Lafarge is hopeful that it will be near the top of the list when prices are unfrozen.

Capacity utilisation is running at some 85 per cent. and investments of around Frs.1.3m. are earmarked for this division over the next four years, devoted mainly to modernising production and to saving energy.

"In 1973 energy represented around 21 per cent. of the sale price of cement," comments M. Jean Bailly, who is in charge of French activities. "Last year it represented 33 per cent., of which only a quarter was electricity, and in 1976 we reckon the figure will be 29 per cent. However, in the second half of this year alone it looks as if energy costs are back over 30 per cent." That, he commented, compared with a figure of 22 per cent., representing the costs of the workforce.

One of the energy-saving efforts will be to seek means of using gas as fuel, while coal is also an attractive proposition because the residue obtained from burning coal is a raw material in the cement-making process.

Brazil—where the company last year paid Frs.27.7m. to raise its stake from a third to 60 per cent. in the cement-making activities, will see an advance of some 13.5m. Cruzeiros this year in profits from the 86.5m. in 1975. Since prices are fixed in relation to production costs in the whole cement industry, Lafarge's relatively modern plants are well placed to show useful profits and Brazil is in one of the investment priority zones.

If the mention of Brazil brings lights into the corporate eye, it is very noticeable that Canada induces a somewhat glazed expression. Last year saw prolonged strikes at nine of the 13 group factories in Canada and this year the plants exempt from last year's problems have been catching up. That together with severe price controls, and the absence of a stimulus such as the Olympic Games provided last year to the construction industry, is likely to push turnover down in dollar terms by some 2 per cent. below the 1975 level. However, this will be disguised in the consolidated accounts because the decline of the franc will serve to turn a profit decline of some $C5m. to around $C20m. into a negligible shortfall.

The U.S. operation, expected to show a $40m. turnover, will also be down on the previous year despite a 10 per cent. production boost. Here, fierce price cutting by smaller companies and the sluggishness of the general economic recovery are blamed, but Citadel will remain profitable and retain the investment affections of Lafarge.

Of the newer activities the most attractive at the moment is clearly plaster while packaging, which went into loss last year, will show a Frs.10m. profit, this thanks partly to taking advantage of depressed raw material prices and partly to a strong growth in sales.

Refractory products look much less encouraging. Linked strongly with the steel industry, still in the throes of crisis, sales are down on last year and there is only a two-month backlog in orders. The Frs.200m. of profits last year will be only a tenth of that in 1976.

Disarming

"I am not going to risk forecasts about the general business climate for 1977 and 1978," declares M. Lecerf prudently, "but I am convinced that those companies which got to grips with the problems of management and control in the 1974 and 1975 crisis and the recovery of 1976 will be best equipped to face whatever new problems arise." M. Lecerf takes a disarming air: "It is for you rather than me to judge whether Lafarge comes into this category," he tells shareholders. It is quite clear, however, that Olivier Lecerf has already made up his mind.

na loss matched by dividend cut

WICKS

ZURICH, Nov. 25.

-based cosmetics ena Holding, of to recommend the of losses of at its annual held in Zurich on The loss will be ely covered by resulting from of the company led on in July. A capital restructuring was effected when losses amounted to more than one-half of the holding company's share capital.

Holding-company losses in the business year ended June 30, 1976, reached Sw.Frs.6.95m. before extraordinary re-valuations and transfers to reserves totalling Sw.Frs.13.54m. No dividend will be paid for the financial year 1975-76, but a dividend of Sw.Frs.8 per share is guaranteed to the Sw.Frs.20.32m. worth of priority shares issued in July.

Turnover of the Juvena group fell slightly in calendar 1975 to Sw.Frs.99m., compared with Sw.Frs.100.8m. in the previous year, and would have totalled Sw.Frs.109m. had exchange rates remained unaltered.

HBG profit to rise by 50%

By Michael Van Os

HOLLANDSCHE Beton Groep (HBG), Holland's largest building company, expects this year's profits to rise by at least 50 per cent. from 1975. On this basis they could reach about Fls.32m. In common with previous years, the Board has decided to pay an interim dividend of Fls.1 per share of Fls.20 nominal. The full dividend over 1975 was Fls.4.40.

The company said in a statement from Rijswijk near The Hague that sales and the volume of work in hand had also developed in line with expectation. This year's sales figure is expected to rise to Fls.2.2bn.-Fls.2.3bn., which compares with 1975 sales of Fls.1.81bn. The volume of work yet to be executed remained around the Fls.3.5bn. level in the second half of this year, having stood at Fls.2.6bn. at least at the end of last year.

The company added in a comment that while Dutch turnover was expected to remain stagnant this year, the rise in sales would come from activities outside the country, largely by work from the Middle East. The HBG chairman Mr. M. Bijl pointed out at a Press briefing that this year sales generated abroad would exceed Dutch turnover for the first time in the company's history.

The company said that as regards 1977, a limited growth in domestic Dutch turnover was expected and a substantial increase in foreign sales. Without elaborating, HBG added that, barring unforeseen circumstances, it was expected that rising sales would result in higher profits, though prices in Holland offered "very limited margins" in all sectors.

THE ORDINARY shares of Amro bank, Holland's second largest commercial bank, are to be quoted on the stock exchanges of Frankfurt, Dusseldorf and Hamburg starting from December 9, it was announced here to-day. The listing will be arranged by a syndicate headed by Deutsche Bank.

Amro, which had a balance-sheet total of Fls.46.8bn. at the end of the June this year, saw profits rise by 37 per cent. in the favourable business period in the first half of this year. It said that although profits would reach a "satisfactory" level this year, their increase will not be as sharp as in the first half.

The bank also said in August that its interim dividend would be Fls.2.20 per share of Fls.20.

BEG plans to double capital

By Our Own Correspondent

AFTER "EXTREMELY rapid expansion" since its foundation at the end of last year by leading European banking co-operatives, the Zurich-based bank Europaeischer Genossenschaftsbanken (BEG) is to double its capital to Sw.Frs.40m., reports John Wicks in Zurich.

The bank, whose total assets reached Sw.Frs.237m. by the end of September, is owned by Deutsche Genossenschaftsbank, of Frankfurt, with 51 per cent. of the shares, Swiss Volksbank of Berne, with 21 per cent and London and Continental Bankers, London, and Genossenschaftliche Zentralbank, Vienna, each with 14 per cent.

Pakhoed achieves forecast rise in profit

BY OUR OWN CORRESPONDENT

AMSTERDAM, Nov. 25.

PAKHOED, the Dutch-based storage, transport and property company, stated to-day that this year's profit per share would be about 10 per cent. higher than that of 1975 (corrected for capital changes), thus maintaining its downward profit forecast revision made in its half-year statement published in August.

The Rotterdam-based company also concedes, however, that the quality of earnings will not be satisfactory this year in view of the "too large" contribution from once-only income in the tax sphere. But the company expects profit quality to improve again in 1977, for although extraordinary income will be lower that year, its effect on the net profit will be offset by the growth of income from participations.

Pakhoed noted in to-day's short statement that there had been no changes in the development of business in the third quarter of this year. The results of the property arm, Blauwhoed, had progressed in line with expectation, while those of its transport arm, Paktrans, had been "significantly better" than in the corresponding period of last year.

But the company concedes that whereas activities in the Western hemisphere showed a favourable picture, the position in Europe and particularly in Rotterdam still left much to be desired. "Although the market shows a slight revival compared with mid-1976, the situation is still too uncertain to draw conclusions from it for the coming year," Pakhoed commented.

£1m. first-half rise for 600 Group

PROFITS before tax of the 600 Group increased from £3.7m. to £4.81m. in the 28 weeks ended October 9, 1976. External turnover rose £17m. to £95m.

Sir Jack Wellings, chairman, says that although it seems unlikely that a U.K. economic recovery will be seen in the near future, the group is expecting to maintain at least the same level of results for the second half.

The net interim dividend is raised from 1.5p to 1.65p per 25p share on capital increased by a rights issue. The total last year was 3.3216p from pre-tax profits of £8.12m.

Each division performed well in the first half, says the chairman. Exports from the U.K. again increased and the overseas companies continue to make a substantial contribution to the results.

The group trades as manufacturers of machine tools, engineers, steel distributors and scrap processors.

● comment

600 Group is probably going to get close to £10m. pre-tax this year—and that disappointed the market yesterday which had been hoping for about £1m. more. The current half-year clearly takes the group into a period of weakening scrap prices and demand generally in the iron and steel division is slowing. The machine tool operations are holding their own and engineering (mostly mobile cranes) are apparently moving well helped by a large export business. 600 is relatively hopeful about the prospect of further earnings progress next year. But a well covered prospective yield of 12 per cent. at 48p, down 2p yesterday, is keeping its options wide open.

Midway surge gives Crosby Spring £0.21m.

For the six months to Sept. 30, 1976, Crosby Spring Interiors reports turnover £0.86m. higher at £3.18m. and pre-tax profits of £212,598, an advance of £135,519 on the previous corresponding period.

The directors say that, as in recent years, the second half year will be more profitable than the first but not to the same extent as last year when the latter six months contributed £229,997 against a first half £74,079.

Half-yearly tax takes £110,551 (£38,521) leaving the net balance of £102,047 (£35,558).

LMI hits peak at midway

—LMI hit midway peak — — —
SALES of London and Midland Industrials improved from £6.58m. to £7.11m. in the half-year ended September 30, 1976 and pre-tax profits were a record £651,000 against £629,000 in the same period last year.

Earnings per share are 4.6p (4.1p) and the net interim dividend is effectively raised from 1.2p to 1.7p. Permission has been granted on recovery grounds to increase the current year's dividend and the directors intend to recommend a final of 2.3656p compared with an equivalent 1.815p previously.

	Half-year 1976 £000	1975 £000	Year 1975-76 £000
Engineering sales	4.766	4.419	8.882
Consumer products	2.347	1.963	4.223
Total sales	7.113	6.382	13.105
Profit before tax	652	629	1,360
Taxation	320	327	690
Net profit	331	302	670
Minorities	—	5	—
Extraord. credits*	37	*1	45
Pref. dividend	9	9	17
Ord. int. dividend	119	54	54
Final	—	—	125
Retained	240	283	451

* Debit. † Includes £90,475 profit on purchase and cancellation of Loan stocks with a nominal value of £64,789.

Mr. C. M. Beddow, chairman, says that in the current circumstances he believes the first half results are very encouraging. The balance sheet position continues to strengthen, and further reduced borrowings represent an even smaller proportion of the capital employed.

Most operating companies are on target and ahead of last year both in sales and profits, the main exception being the fastener manufacturing companies, where profits were lower.

The directors are constantly examining opportunities both within the companies and for new investment by which the group should expand. "We believe the group can and will continue to progress," says the chairman.

Statement Page 27

J. Crean produces £884,000

INCLUDING A full year's contribution from the Wade Group (acquired on March 31, 1976) profits of James Crean, of Dublin, advanced to £884,000 in the year ended June 30, 1976, compared with £499,000 in 1974-75. The group continues to trade satisfactorily, the directors state.

Earnings per 50p share are 11.75p (11.49p or 8.2p adjusted). The directors point out that the 1976 tax charge has been calculated without taking credit for any stock relief which may be available. The benefit of stock relief for 1975 amounted to £84,345. Accordingly, in order to facilitate comparison, the 1975 earnings per share has been re-calculated to exclude this benefit

A net final dividend of 2.4375p is proposed. This is equal to 7.5p gross which raises the total from 10p to 11.25p.

	1975-76 £000	1974-75 £000
Turnover	13.329	7.338
Profit before tax	884	499
Taxation	445	154
Net profit	439	345
Minorities	48	49
Extraordinary items	18	7
Preference dividends	2	2
Attributable Ord.	371	287

The group's interests cover bottling distribution and wholesaling of beer, the manufacture and distribution of mineral water, distribution of electrical and industrial products, etc.

Renwick profit at halfway

FOLLOWING the announcement at the September meeting that profitable trading had been resumed, the Renwick Group announces a turnround from a loss of £196,000 to a profit of £136,000 in the half-year ended October 2, 1976, reflecting a recovery in profits of the non-fuel interests of almost £400,000 compared with the same 1975 period.

Mr. C. W. Wilton, chairman, reports that Marine Projects (Plymouth), Devon Conversions and the travel division have all increased their business, while the freight side has shown the anticipated reduction due to cutbacks last year. The travel division has had a record year and the chairman is expecting to report a 25 per cent. increase in profits in due course. At Mrine Projects the order book is full well into next summer.

In the freight division international forwarding is still the main problem area. Although substantial losses in the first half-year were reduced by the end of that period there is still a long way to go before this part of activities produces the quality of profits desired, says Mr. Wilton. The share progt of the 50 per cent. owned Western Fuel Company fell from £96,000 to £34,000 in the half-year, but with a normal winter pattern the chairman expects the year's profits to be satisfactory even if not up to last year's record.

	Half year 1976 £000	1975 £000
Turnover*	13,796	17,210
Trading profit	658	284
Depreciation	238	245
Western fuel	31	96
Group profit	446	135
Net interest	310	331
Profit before tax	136	†196
Tax	68	‡115
Net group profit	70	†91
Extra-ord. debits	24	§30
Minorities	32	7
Available	14	†38

* Excluding Western Fuel. † Loss. ‡ Credit. § Credit.

In view of the need to rebuild a sound financial base there is to be no resumption of Ordinary dividends at present—the last payment totalled 1.76p for 1974-75. In that year there was a loss of £81,000 which had increased to £590,000 by the end of 1975-76.

● comment

Renwick is making a recovery, but thanks to loss elimination rather than any basic improvement in trading. The freight division has recovered, though volume is still low and international forwarding remains difficult. Boat manufacture and caravan sales have increased, but these would seem to be vulnerable in the U.K., though boats have a high export content. The motor dealerships, handling imported models, have the added worry of sterling's weakness undermining price, while Western Fuel lacked any stock profits. Still, the travel side has had a good season and, with a continuation of the first-half trend, Renwick may see £400,000 pre-tax this year. Meantime, borowings are similar to those of last March, when they equalled £3.38m. against Ordinary shareholders' funds of £548,000. At 16p, where the market capitalisation is £875,000, the shares are understandably taking a cautious attitude.

Good headway at Flight Refuelling

The first half of 1976 resulted in an upsurge in pre-tax profit from £237,000 to £430,000 at Flight Refuelling (Holdings). Turnover for the period rose from £2.98m. to £3.75m.

The directors anticipate that figures for the second half will prove at least as satisfactory as those now reported. Profit for the last full year totalled £596,273.

The net interim dividend per 25p share is stepped up from 0.75p to 0.825p—last year's final payment was 1.572p.

Tax for the first half takes £236,000 against £125,000.

The company manufactures specialised equipment for the aircraft, nuclear and electronic industries.

Dawson Intl. nears £4m. after six months

FOLLOWING THE June forecast that business would continue strongly in the current year, Dawson International reports a sharp jump in group pre-tax profits from £0.63m. to £3.94m. for the first six months ended September 30, 1976, exceeding the total for the whole of 1975-76 by over £1m.

In 1973-74 profits of the old Joseph Dawson Holdings reached a record £8.24m. but in the following year for the reconstructed DI they fell to only £0.5m.

Mr. Alan Smith, chairman, reports that business continues to be very satisfactory, particularly in overseas markets. Current orders should see the group well through the current year.

At the annual meeting in July the chairman indicated that during the year any borrowings would be well within available resources and at the time the group was in a credit position. This is still the case, says Mr. Smith.

The interim dividend is raised from 1.05p to 1.35p net—under present regulations the maximum total would be 3.3323p per 25p share, which would compare with 3.03p for the previous year.

	First six months 1976-77 £000	1975-76 £000
Sales	29,773	20,435
Trading profit	3,954	1,251
Interest	314	670
Profit	3,640	581
Share of associates	280	49
Profit before tax	3,920	630
Taxation	1,952	301
Net profit	1,968	329
Preference dividend	9	9
Attributable	1,959	320

The group's business covers the manufacture and merchanting of knitwear and clothing, and processing spinning and dyeing of wool cashmere camelhair and other fibres worldwide.

● comment

High-class British woollens are popular items for foreign visitors cashing in on the pound's fall, and Dawson International, makers of Pringle and Braemar sweaters, has benefited to the full. Turnover has risen 46 per cent. and profits have multiplied more than five times, helped by a significant element of currency exchange gains in the U.S. figures. But the benefits of the corrective measures undertaken to speed stock turnover and improve debtor control. With the winter months boosting the second half, final profits should handsomely exceed the 1973-74 record of £8.2m. At 46p the maximum dividend yield is 11.5 per cent.

Second half downturn at Akroyd

AFTER RISING from £5.66m. to £6.39m. in the first half, pre-tax profits of stock jobbers Akroyd and Smithers finished the year to October 1, 1976 down from £7.31m. to £7.16m.

With a lower tax charge of £3.77m. (£4.31m.) earnings are shown to be up from 37.5p to 42.4p per 25p share. The final dividend is 12p net for a total of 15p (same), including 2½p bonus).

	1975-76 £	1974-75 £
Turnover*	18,261m.	14,553m.
	£000	£000
Profit before tax	7,161	7,316
Tax	3,771	4,308
Net profit	3,390	3,001
Extraord. debit	—	40
Interim dividends	249	248
Proposed final	960	960
Retentions	2,198	1,761

* Being aggregate value of sold bargains.

Jersey General

Income of Jersey General Investment Trust for the six months to October 31, 1976, was £335,665 against £342,085. Expenses were £20,736 (£18,490) and tax took £62,239 (£63,668).

Net asset value per Ordinary share was 270.75p at October 31, against 298p at April 30.

The interim dividend of 4.5p (4p) net per £1 share was announced on October 15. The total last year was 10p from income of £739,955.

Pressac growth

Sales in the first quarter of the current year were well in excess of the corresponding p[...] last year said Mr. G. [...] chairman of Pressac Hol[...] the annual meeting.

Mr. Clark said ord[...] were in a healthy state [...] was "an enormous amou[...] stuff" coming into prod[...]

The company had m[...] constant growth since [...] formed apart from two [...] backs and this growth [...] tinuing. Everything pos[...] being done to boost exp[...] year direct exports tota[...] than £500,000 and in [...] quarter of the current [...] rate had been doubled.

The company was inve[...] stantially in Germany. [...] extensive operation and [...] be some time before it [...]

J. Dykes fa[...] to £23,515 at halfway

Profits of upholster[...] ture makers J. Dykes ([...] slumped from £201,010 [...] in the half year ende[...] 1976, but present tradi[...] show a substantial imp[...]

Mr. H. Dykes, [...] explains that the first h[...] tion was due to unpr[...] circumstances including [...] in sterling. Since a[...] £868,000 was reached [...] profits have fallen sh[...] were down to £260,823 [...]

The interim dividend [...] 0.55p net—the total f[...] was 3.1p.

Turnover in the half [...] marginally ahead a[...] (£1.99m.). The net profi[...] at £13,639 (£96,485), af[...] £9,876 (£104,525).

Scottish In[...]

In the period Novem[...] to October 31, 1976 r[...] of Scottish Investme[...] increased to £741,000, [...] with £674,000 for the y[...] November 5, 1975, aft[...] £509,000 (£463,000). Ea[...] 25p share are 2.3p (2.0[...]

An unchanged divide[...] has already been anno[...]

Net assets value per [...] was 102.7p (98.7p).

INTERNATIONAL APPOINTMENTS

[illegible] عن الأصل

…nks lead Canadian SE down again

…CORRESPONDENT

…S continued to sag … all other indices …owly lower prices in … on the Canadian … yesterday morning. …hare Index lost 1.64 …pers 0.81 to 103.31.

…rities and com…changes and banks … were closed yes… observance of …g Day.

… 290.58, Industrials …, Base Metals 0.31 …ities 0.24 to 135.21 Oils 0.16 to 201.31. … dipped $⅛ to $24½ …hares traded, while …ntreal at $13⅝ and … Scotia at $39 each

Walker-Gooderham "A" eased $⅛ to $25⅛ and Cominco were off $¼ at $33½, but Noranda Mines gained $⅝ to $28.

Falconbridge Copper declined $⅜ to $5½ on 60,300 shares.

Abitibi Paper shed $⅛ to $9½, Bell Canada $⅛ to $46⅜, and Labatt "A" $⅛ to $15½.

…'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
…im.	517,200	20⅜	+⅛
…	286,700	16⅞	—
…	223,500	51⅛	+1
…	209,600	61⅛	—
…	184,700	15⅝	—
…	184,400	27⅞	+⅛
…	181,200	34⅛	−⅛
…	177,600	35⅛	+⅛
…Gas	176,000	10⅞	+1⅛
…	172,700	45⅝	+⅛

Canadian Imperial …merce firmed $⅛ to …

…ere active but down

OTHER MARKETS

PARIS—Generally lower, with buying interest dampened by French Industry Minister's announcement of planned new energy saving measures for next year.

But Banks, Transports and Electricals were generally firmer.

Le Materiel Telephonique were little changed, despite a higher net turnover in first nine months, while Alsthom Atlantique, also were little changed although it received with a subsidiary a billion franc contract from Iran.

Foreign shares were well maintained. Especially Americans, Gold Mines and Oils. Germans, Belgians and Coppers weakened.

BRUSSELS—Gains outnumbered losses in quiet trading.

Steels finished mostly higher. Hainaut-Sambre rose B.Frs.35 to 1,570. Advances also predominated in Non-Ferrous Metals.

Electricals and Utilities were mixed. Interbrabant were off B.Frs.10 to 1,410.

Chemicals were higher, Oils and Holdings narrowly mixed.

Among mostly higher Internationals, U.S. shares advanced broadly. South African Gold Mines were steady to higher, French and Dutch shares also gained modestly.

AMSTERDAM—Mostly firmer in dull trading.

Dutch Internationals firmed, led by Royal Dutch which advanced FS3 to 117.3.

Transports also firmed, with the exception of KNS. Banks rose, Insurances were mixed, while Industrials and Trading stocks were unchanged to lower despite some favourable company news.

Pakhoed moved up FS2.50 to 82.5 after maintaining its forecast of higher 1976 earnings. Hollandsche Beton also improved after forecasting a 50 per cent. increase in profits.

State Loans were little changed in quiet conditions as speculation eased on a Dutch Bank Rate cut.

GERMANY — Most shares extended Wednesday's losses on lack of Institutional support.

Among Stores, Karstadt fell DM7 and Kaufhof DM3.

Most Banks were up to DM2 easier. Major Chemicals and Electricals declined up to DM1.70 and Motors up to DM2.50.

Thyssen rose DM0.7 to 113.2—it expects an unchanged dividend this year. Hoechst shed DM1.70 to 134.8 on its rise in World grou ppre-tax profit for the first nine months.

Public Loans lost up to DM0.45. The Regulating Authorities bought nearly 23m. nominal of stock. Foreign Mark Loans also fell.

SWITZERLAND — Most sectors moved generally higher.

Banks showed little change, apart from Volksbank which rose on good demand.

Juvena Bearer fell on increased short selling after reporting a loss for year to June 30. Other Financials were little changed.

Insurances firmed slightly, while small gains predominated in leading Industrials.

In Chemicals, Sandoz lost Frs.50 to 4725—it plans to raise $120m. on the international capital market.

Dollar stocks and Dutch issues were steady, while Germans were slightly easier.

MILAN — Most prices were slightly higher.

Fiat move up Lire 84 to 1,739, attributed to a series of unconfirmed rumours ranging from a possible capital increase to better economic outlook for the company. Also an expected price rise of Fiat models was seen as a positive development for the company.

OSLO—Industrials were barely steady, Bankings slightly easier, while Insurances and Shippings were quiet.

VIENNA—Firmer, with leading Industrials steady.

COPENHAGEN—Banks, Insurances, Communications and Shipping were lower, while Industrials and Commodities were mixed.

HONG KONG—Slightly higher in dull trading.

Hong Kong Bank moved up 10 cents to $HK17.90. Hutchison 2½ cents to 3.00, Jardine 10 cents to 15.80, Hong Kong Electric 2½ cents to $HK4.825 and China Light 10 cents to $HK17.50.

But Hong Kong Land were down 5 cents to $HK6.45 and Hong Kong and Kowloon Wharf 10 cents to $HK13.70.

TOKYO—Generally higher in active trading, with Domestic Industry shares leading the way. Volume 250m. shares.

Constructions, Paper-Pulps, Textiles, and Transports were in demand. Teikoku Oil rose Y7 to 293 on its planned resumption of dividends.

Motors, however, levelled off and some other Export-Oriented shares also eased. Electricals were mixed.

JOHANNESBURG—Most Gold shares were quietly firmer in line with overseas bullion indications.

Financial Minings were basically unchanged. Coppers were idle, while Platinums were slightly easier.

Collieries were steady, Asbestos stocks mixed, Industrials quietly steady.

AUSTRALIA—Mixed with some profit-taking reducing early gains, and selective buying evident.

Among Mines, Kathleen rose 10 cents to $A1.10 and Cons. Gold 10 cents to $A1.55, but Queensland Mines lost 15 cents to $A1.55.

Among lower Banks, National fell 8 cents to $A2.40.

TNT shed 9 cents to $A1.58 after reporting it had taken delivery of a new ship for the domestic Trans-Tasmania run which cost it considerably more than expected.

Oils were extremely quiet. Woodside Burmah shed a cent to $A1.04.

Sterling steady

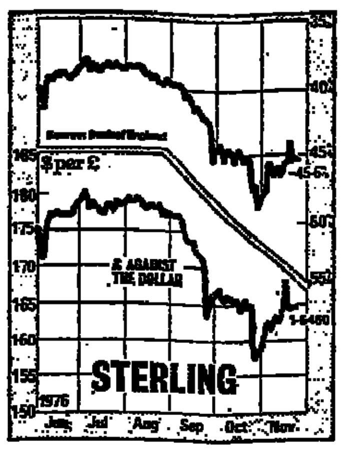
Sterling closed slightly weaker against the U.S. dollar in the foreign exchange market yesterday, but showed little change in terms of most other major currencies. The Thanksgiving Day holiday in the U.S. led to a fairly quiet market, and trading tended to be dull and featureless. The pound opened at $1.6470-1.6480 and touched a high point of $1.6525-1.6535 in early dealings. The worst level touched was $1.6430-1.6440, but after lunch the rate improved to $1.6475-1.6585. Sterling closed at $1.6455-1.6465, a fall of 22½ points on the day.

Its trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, was unchanged at 45.6 per cent., after standing at 45.7 per cent. at noon and 45.5 per cent. in early dealings.

Discounts on forward sterling tended to narrow. The three-month pound finished at 4.52 cents discount against the dollar, compared with 4.65 cents discount previously.

The dollar tended to move in line with sterling for most of the day, but the stronger European currencies finished slightly firmer in terms of the U.S. unit. Figures for the dollar's depreciation since the Washington Agreement were not available from Morgan Guaranty, because of the closure of the New York market.

Gold finished unchanged on the day at $130¼-131¼. The krugerrand's premium over its gold content widened to 3.44 per cent. from 3.06 per cent. in the domestic and international markets.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 24	Nov. 23
Sterling	0.700024	0.704913
U.S. dollar	1.15644	1.15641
Belgian franc	42.3604	42.3709
Deutschemark	2.77742	2.77122
French franc	5.76659	5.76239
Italian lira	1000.61	1000.64
Japanese yen	341.381	—
Dutch guilder	2.89573	2.88409
Swedish krone	4.83565	4.83900
Swiss franc	2.81639	2.80904

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 25	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	—	2.404-406	48.03-18	6.535-550	3.955-970	96.33-98	98.30-45
N. York *	41.60-62	—	20.03-05	2.724-728	1.6480-6490	39.85-88	40.90-92
Paris	207.81-21	4.9927-0027	—	13.614-636	8.219-1435	1-9.46-88	204.26-66
Brussels	15.26-29	36.67-71	7.33-35	—	60.36-49	14.64-67	1-.0 04
London	3.95½-96½	1.6455-65	8.22-23	60.40-60.60	—	4.12½-13½	4.01½-02½
Am'rd'm	104.20-255	2.5032-57	51.105-155	6.825-830	4.12½-75	—	102.49-54
Zurich	101.60-68	2.4437-4444	48.88-91	5.555-5625	4.024-022	97.51-59	—

U.S.$ in Montreal. U.S.$=99.58-62 Canadian cents.
Canadian $ in New York. C$=100.42-44 U.S. cents. U.S.$ in Milan 865.30-865.60.
Sterling in Milan 1423.75-1425.75. * Rates for Nov. 24

EURO-CURRENCY INTEREST RATES*

Nov. 25 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	15½-16	4⅝-4⅞	8-9	6½-7	4⅝-4⅞	¼-½
7 days notice	16-16½	4⅝-4⅞	8¼-9¼	6½-7	4⅝-4⅞	3⅝-3⅞
Month	15¾-16½	4¾-5	8½-8¾	7¾-8	4½-4⅝	1 1/16-1 3/16
Three months	16⅜-16⅞	5¼-5½	8¾-9	7⅜-7⅝	4½-4⅝	2 3/16-2 7/16
Six months	16-16½	5⅜-5⅝	8¾-9	7¼-7½	4 5/16-4 9/16	2¾-2⅞
One year	15⅝-16⅞	5¾-6	8½-8¾	7⅛-7⅜	4 13/16-5 1/16	2 15/16-3 1/16

Euro-French deposit rates: two-day 10½-10¾ per cent.; seven-day 10½-10¾ per cent.; one-month 10½-10¾ per cent.; three-month 11½-12 per cent.; six-month 12 1/16-12 5/16 per cent.; one year 11¾-12¼ per cent.

Longer-term Eurodollar deposits: two years 6¾-6⅞ per cent.; three years 7¼-7½ per cent.; four years 7½-7¾ per cent.; five years 8¼-8½ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 4⅝-4⅞ per cent.; three-month 5-5⅛ per cent.; six-month 5 3/16-5 5/16 per cent.; one year 5 7/16-5 11/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two days' notice for guilders and Swiss francs.

GOLD MARKET

	Nov. 25	Nov. 24
Gold Bullion (a fine ounce)		
Close	$130¼-131¼	$130¼-131¼
Opening	$132-133	$131-132
Morning fix'g	$131.30 (£79.697)	$131.10 (£79.338)
Afternoon fix'g	$130.75 (£79.358)	$130.75 (£79.017)
Gold Coins domestically		
Krugerrand	$134¼-136¼ (£81½-82½)	$133¾-135¾ (£81½-82½)
NewSov'r'gns	$45½-47½ (£27¼-28¾)	$46½-48½ (£28¼-29¼)
Old Sov'r'gns	$44-45 (£27-28)	$46-48 (£28-29)
Gold Coins (Intern'nally)		
Krugerrand	$134¼-136¼ (£81½-82½)	$133¾-135¾ (£81½-82½)
NewSov'r'gns	$45½-47½ (£27¾-28¾)	$45-47 (£27½-28½)
Old Sov'r'gns	$41-43 (£25-26)	$41-43 (£25-26)
$20 Eagles	$218-221	$217-220
$10 Eagles	$117-120	$116-119
$5 Eagles	$77-80	$76-79

FOREIGN EXCHANGES

Nov. 25 1976	Bank Rates %	Day's Spread	Close
New York	5½	1.6430-1.6535	1.6455-1.6465
Montreal	9	1.6360-1.6455	1.6420-1.6450
Amsterdam	7	4.11-4.15	4.12½-4.13½
†Brussels	9	60.25-60.80	60.40-60.60
Copenhgen.	11	9.68-9.72	9.68½-9.69½
Frankfurt	3½	3.95-3.98	3.95½-3.96½
Lisbon	6½	51.70-52.15	51.75-51.95
Madrid	7	112.30-113.00	112.40-112.60
Milan	15	1,425-1,430	1,425¾-1,425¾
Oslo	6	8.59-8.64	8.61-8.62
Paris	10½	8.21-8.26	8.22-8.23
Stockholm	8	6.88-6.93	6.89½-6.90½
Tokyo	6½	480-490	486-488
Vienna	4	28.00-28.40	28.05-28.25
Zurich	2	4.01-4.05	4.01¾-4.02¾

* Basic discount. † Rates given are for convertible franc. ◆ Financial franc 60.35-60.55.

OTHER MARKETS

			Notes Rates
◆Argen'na	410.32-410.50	Argentina	375-475
Australia	1.5266-1.5420	Austria	27-31½
Brazil	17.67-17.87	Belgium	60¼-62¼
Finland	6.29-6.30	Brazil	21-25
Greece	60.768-62.505	Canada	1.62½-1.66
Hng Kong	7.815-7.845	Denmark	9.60-9.80
Iran	114-118	France	8.15-8.35
Kuwait	0.470-0.480	Germany	3.90-4.15
Luxembg	60.40-60.60	Greece	64-68
Malaysia	4.1515-4.1741	Italy	1460-1510
N. Zealand	1.6651-1.7022	Japan	495-510
Saudi Arab	5.76-5.85	Netherl'ds	4.25-4.40
Singapore	4.057-4.049	Norway	8.50-8.80
S. Africa	1.4266-1.4268	Portugal	57-65
U.S.—		Spain	108-115
Canada		Switz'land	3.95-4.15
C$1—		U.S.	1.64-1.65½
U.S. cents	100.19-100.20	Yugoslav'ia	55-65

* Basic discount. ◆ Rate given is free rate.

FORWARD RATES

—	One Month	Three month
New York	1.57-1.47 c. pm	4.57-4.47 c. pm
Montreal	1.05-0.95 c. pm	3.05-2.95 c. pm
Amst'dam	3¼-2¼ c. pm	9⅛-8⅛ c. pm
Brussels	30-10 c. pm	70-50 c. pm
Cop'nhg'n	1½ ore pm-2 ore dis	3½-1½ ore pm
Frankfurt	4¼-3¼ pf. pm	11¾-10¾ pf. pm
Lisbon	30 c. pm-10 c. dis	par-100 c. dis
Madrid	70-170 c. dis	350-450 c. dis
Milan	2 lire pm-13 lire dis	25-35 lire dis
Oslo	3¼-1¼ ore pm	11½-9½ ore pm
Paris	3¾-2¾ c. pm	9½-8½ c. pm
Stockh'lm	2½-½ ore pm	8½-6½ ore pm
Vienna	35-25 gro pm	70-60 gro pm
Zurich	5-4 c. pm	13¾-12¾ c. pm

Six-month forward U.S. dollar 8.23-8.13c pm. and 12-month 14.05-13.95c pm.

Indices

…RK—DOW JONES

	Nov. 23	Nov. 22	Nov. 19	Nov. 18	Nov. 17	1976 High	1976 Low	Since compilation High	Since compilation Low
	949.30	955.87	948.80	950.15	938.88	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
	90.54	90.25	90.29	90.09	89.97	90.37 (24/11)	85.68 (13/7)	—	—
	225.97	225.74	221.90	221.99	218.40	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
	101.26	101.70	100.24	100.40	98.95	101.99 (24/11)	84.8 (26/6)	165.32 (20/4/65)	10.58 (28/4/42)
	18,099	20,930	24,550	24,000	19,900	—	—	—	—

…ex changed from July 1.

	Nov. 22	Nov. 15	Nov. 5	Year ago (approx.)
…d %	4.24	4.36	4.07	4.49

…ND POORS

	Nov. 23	Nov. 22	Nov. 19	Nov. 18	Nov. 17	1976 High	1976 Low	Since compilation High	Since compilation Low
	115.71	114.51	115.77	113.74	112.50	120.89 (21/9)	101.64 (2/1)	134.84 (11/1/73)	3.52 (30/6/32)
	101.96	102.59	101.92	101.89	100.61	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Nov. 17	Nov. 10	Nov. 3	Year ago (approx)
	3.84	3.89	3.75	3.73
	11.35	11.14	11.53	11.84
…ield	5.36	5.36	5.39	6.14

N.Y.S.E. ALL COMMON

Nov. 24	Nov. 23	Nov. 22	Nov. 19	1976 High	1976 Low
54.98	54.69	54.87	54.61	57.51 (21/9/76)	37.06 (2/1/76)

Rises and Falls	Nov. 24
Issues Traded—1,880	Up—924
Down—514	Same—442
New Highs 88	New Lows 17

MONTREAL	Nov. 24	Nov. 23	Nov. 22	Nov. 19	1976 High	1976 Low
Industrial	165.89	165.74	167.49	167.81	207.38 (19/3)	165.89 (24/11)
Combined	164.94	166.77	168.52	165.60	199.78 (20/3)	162.44 (15/11)
TORONTO Industrial	164.49	166.04	166.24	166.81	[illegible]	164.49 (24/11)
JOHANNESBURG Gold	172.7	176.7	176.5	174.7	228.7 (12/3)	115.5 (25/8)
Industrials	174.2	174.1	174.0	174.8	215.3 (21/3)	173.0 (17/11)

	Nov. 25	Previous	1976 High	1976 Low		Nov. 25	Previous	1976 High	1976 Low
Australia (a)	406.82	407.34	522.63 (19/3)	406.82 (25/11)	Spain	—	79.95	100.79 (7/1)	72.22 (11/11)
Belgium (b)	93.02	92.32	113.18 (6/2)	87.13 (25/10)	Sweden	362.18	361.14	478.85 (10/6)	365.31 (3/11)
Denmark (d)	98.71	99.43	117.70 (19/8)	98.71 (25/11)	Switz'l'd	283.5	283.2	309.4 (9/1)	260.5 (15/11)
France (e)	52.5	52.7	74.3 (3/3)	52.3 (26/10)					
Germany (f)	720.7	722.8	821.7 (17/3)	687.7 (29/10)					
Holland (g)	84.6	84.6	105.3 (6/2)	77.9 (13/10)					
Hongkong (h)	388.53	385.68	465.33 (17/3)	354.53 (2/1)					
Italy (k)	70.70	70.40	91.37 (25/2)	64.93 (10/11)					
Japan§ (m)	348.38	347.34	369.61 (1/8)	326.28 (6/1)					
Singapore (n)	244.34	245.36	286.16 (3/2)	236.35 (2/1)					

…RSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—120½% (121¼%)

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ◆ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. ‡ Price at time of suspension. a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross …

BRAZIL

Nov. 25	Price Cruz	+ or —	Div Cruz	Yld. %
Banco Brasil PP	4.58	+0.08	0.18	3.93
Belgo Mineira OP	2.57	−0.02	0.14	5.45
Brahma PP	1.43	−0.02	0.15	10.49
Docas Santos OP	0.84	−0.01	0.15	17.85
Lojas Amer OP	3.78	−0.14	0.18	4.76
Petrobras PP	2.22		0.11	4.95
Samitri OP	3.05	−0.07	0.12	5.93

Vol. Cr. 35.3m. Shares 34.7m.
Source—Rio de Janeiro SE.

CANADA

GERMANY ◆

PARIS

AMSTERDAM

MILAN

BRUSSELS/LUXEMBOURG

SWITZERLAND ◆

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO ¶

Source Nikko Securities, Tokyo

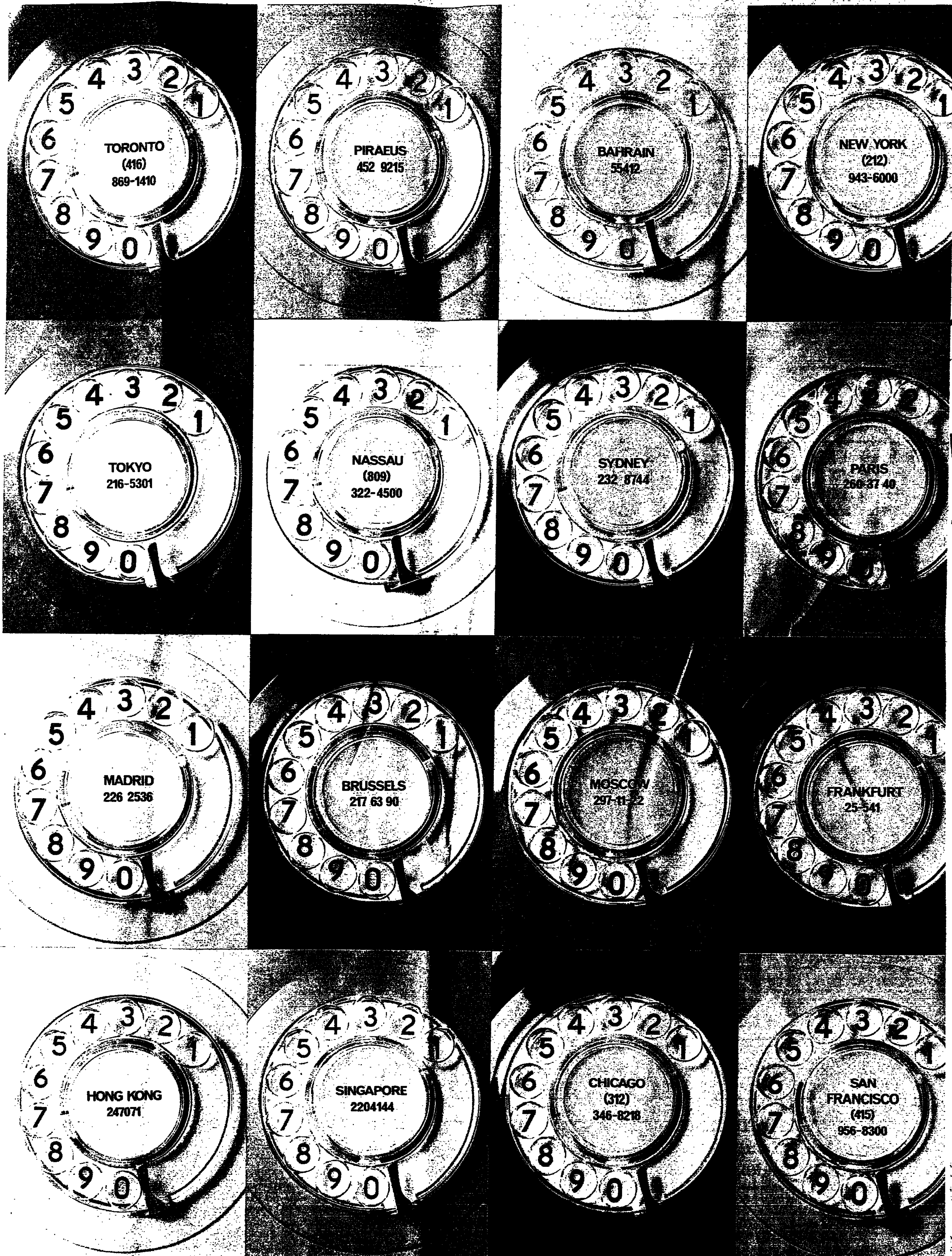
STOCKHOLM

OSLO

JOHANNESBURG

SPAIN ♥

NatWest International has a number of office



International financing for major corporations. Assistance to UK exporters. Dealing in the world's currencies–buying, sellin lending, and deposit taking. Global movement of funds. Specialist services for international industries such as oil, gas, shippin

National Westminster Bank Group
You've got us just where you want us.

هكذا من الأصل

FINANCIAL TIMES SURVEY
Friday November 26 1976

City of London Property

Rents and investment values in the City have begun to stabilise, in welcome contrast to the chaotic conditions of a year ago. There are also signs of new development activity and hope that future increases in rents and in demand will be better balanced than in the past.

Market has a healthier look

A YEAR AGO the City of London property market appeared to be suffering as never before from inherent instabilities. The national market had shown, since the war, how a stop-go economy allied to planning policies which were more stop than go, would continue to produce alarming swings in both rental values and in the yields which investing institutions would accept. The City was the microcosm where all the trends were exaggerated.

Site values, because the attraction of the City lay largely in its confined area, were the highest for any office properties and equally building costs, with difficult access to works, were highest. Tenants, being among the wealthiest companies, were in boom times prepared to pay the most to be at the financial centre. Institutions, with the switch in investment fashion from shops to offices, regarded this as the best investment location of all and accepted the lowest yields.

Came the financial crisis of 1974 and everything went into abrupt reverse. Demand for space dried up almost overnight. Those who had ridden highest in the boom—secondary banks, stockbrokers and other investment advisers—dumped their surplus space on the market, happy to be able to assign leases which a year before would have commanded large premiums.

Building costs shot up, but site values dropped, sometimes literally to nothing, sometimes truthfully to a negative figure. The institutions left the market, and when they returned it was initially only at yields as much as three percentage points higher than before. Valuers had to say that many City offices had, in the space of two years, lost half their value. Tenants had signed leases which were palpably above market and they were, to add insult to injury, faced with sharply increased rates. Landlords saw their asset values and collateral diminished and some of their apparently most desirable buildings empty.

None of this was of any help to the City's function as an international financial centre. Property, as one of its service industries, appeared to have endangered the City's business attractions. Some major foreign banks left the Square Mile. The Committee on Invisible Exports lobbied the Government because high accommodation costs—rates were their special interest—might drive away potential earners.

A year later the picture is of a far healthier market. Rents continued to slip for the first half of the year, but have now stabilised in the prime areas and for larger buildings. The take-up of space has increased and investment values, despite the hiccup caused by the MLR rises, have been reasserted at lower levels (though there are still plenty of critics to doubt the worth of City offices even at to-day's levels).

Most importantly, the combined effect of rents which have dropped in money terms and in real worth are frequently halved from their 1973 levels, together with the fall of sterling, has brought accommodation costs in the City back into line with those in its rival financial centres. There is still plenty of cheaper space abroad, notably in New York, but the costs of opening a City office, which had been twice or three times that in other centres, has now dropped to a point where it could no longer be a deterrent to foreign companies.

It is foreign companies and those British companies whose business is international, who have led the increased demand for City space. The clearest example of this has been in the insurance sector. In the area immediately by Lloyd's, it has proved possible to obtain rents around £20 a square foot, the highest in the City apart from odd post-box offices for banks without a central presence, in the small underwriters' suites.

Lettings

Among the bigger lettings, British and foreign insurance companies have been mixed. Alexander Howden Group's leasing of the 133,688 net square feet of the Billiter Building was the largest City leting of the year (from Trafalgar House), while the same developer let 24,465 square feet in Fenchurch Street to American International Underwriters (London).

Among the other notable insurance broking deals have been those of Stewart Wrightson (from Great Portland Estates) and Robert Bradford Hobbs Savill (from Argyle Securities and Amalgamated Investment and Property). But it is not perhaps in straight leasings that the most obvious signs of insurance money have lain. Willis, Faber and Dumas, the insurance brokers and underwriting agents which have just obtained a public quotation, took the opportunity afforded by a poor letting market on the outlying City areas and the collapse of AIP to secure one of the outstanding recent refurbishments, the former PLA building north of the Tower, for £13.75m.

Willis Faber were not alone in thinking that, providing one had the cash, owner occupation had advantages with the market at this level. The large U.S. insurance group, INA Corporation, paid £3.4m. for the ground lease on 29,000 square feet at 8-11, Lime Street, a Land Securities development. In commodities, another sector prospering against the tide, one broker, Woodhouse, Drake and Carey went so far as to put its cash into assets by buying a quoted property company, Forum Properties.

Among the other major force in the market, the foreign banks, there is some evidence of a similar desire to both take good new space and, where possible, to buy their way out of future rent increases by securing freeholds or leases. Few have been able to achieve the second half, though London Stone House in Cannon Street was sold by a Chinese Communist bank to a capitalist one. The major example of lease-buying in the year, possibly the largest single City deal ever, involved the Hongkong and Shanghai Banking Corporation paying £32.35m. for the headlease of 99 Bishopsgate to Berkeley Hambro Property and the executors of the late Felix Fenston. But this was by no means a simple case of tenant and landlord agreeing to release marriage value and split the gain. The bank, while it is fortunate to own (bar about £1¼m. a year in ground rent to the Prudential) possibly the best new banking tower in the City, and while it will receive substantial rental income from the 120,000 square feet it is sub-letting, was essentially buying itself out of a lease signed too near the top of the market.

However, in its sub-lettings, the building does reflect a typical City trend, with Arab and Japanese banks taking space, just as they have been the main force in the changing face of Moorgate, the U.S. banks being the main releasers of space in this case.

The movement of American banks has not, however, been all one way and out of the City. Bank of America's leasing from the Imperial Tobacco Pension Fund of what is now called 25 Cannon Street may now be seen as a key decision in a market then near its lowest point. It certainly emphasised the scarcity of 100,000-plus sq ft buildings in the City, and the Bank might have to pay substantially more in to-day's market. It seems likely that the exodus of U.S. banks is nearing its end, Chemical's move to the Aldwych being perhaps the last in a series of moves where Citibank and Morgan Guaranty were the ones to take most relocated space. Whether the Chase Manhattan continues its interest in the Chiswell Street development is the main unanswered question.

Meanwhile, the major accounting firms have completed their moves during the year, though not all have yet got precisely what they wanted; Coopers and Lybrand settling for taking space in adjoining buildings and Touche Ross still holding the ODP on Wine Office Court where, after a change of ownership, building work has at last begun. Less obvious than the accountants' expansion, but a growing force in the market have been solicitors' practices, with Clifford Turner's 40,000 sq ft in Blackfriars House being probably the largest letting but several others are nearly as large and more are to come.

With evidence of this revised and steady demand, one issue is whether the City might not again run into a period of shortage of modern space, thus escalating rents. While there is still over 5m. square feet available out of a total stock of offices of around 36m. square feet, this would seem unlikely. However, the evidence suggests that the market is becoming progressively two-tiered, as between the central area and the fringes and between good modern space and the proliferation of rabbit warren offices of Victorian origin or even the cheaper post-war buildings up to the mid-1960s.

In the central City area agents Richard Saunders suggest that there is at present 2.9m. square feet available and that from their monthly analysis the rate of take-up since May suggests a rate of 3¼m. square feet a year. Richard Ellis estimates 2¼m. square feet for this year. From such figures, and taking into account a slow-down in development, it is pos[...] estimate a strong scarci[...] in rents in a year's tim[...]

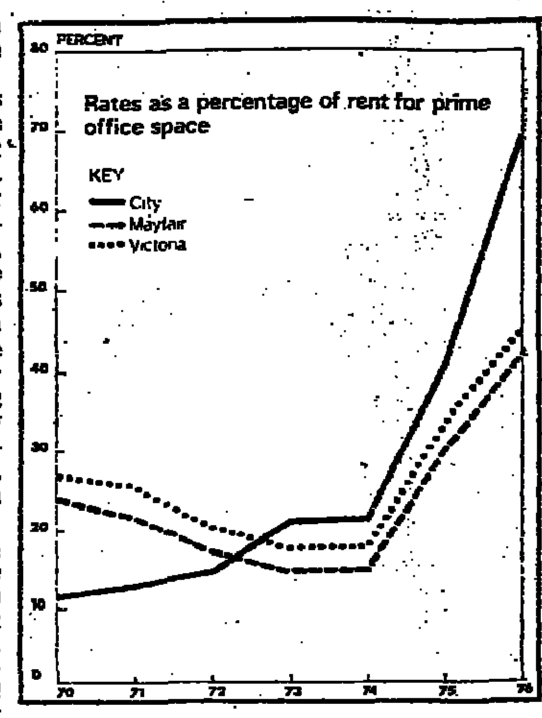
But there is pro[...] stronger case for look[...] more gradual rise and [...] of balanced market wh[...] be in the wider interes[...] City. First, the rec[...] international econom[...] which the City is more [...] than the local one, a[...] be slowing down. Sec[...] extent to which dev[...] has slowed down can [...] stated. There are [...] schemes such as Ang[...] the National Westminst[...] and the Wingate Cent[...] course of construction. [...] developers, particular[...] with construction com[...] terests, are now serio[...] sidering schemes which [...] impossible a year ago [...] appearance of Oldham [...] in a City developme[...] teresting), and there is [...] longer-term possibility [...] Liverpool Street dev[...] To this potential stoc[...] space must be added t[...] by re-location schemes [...] Legal and General's [...] Life's.

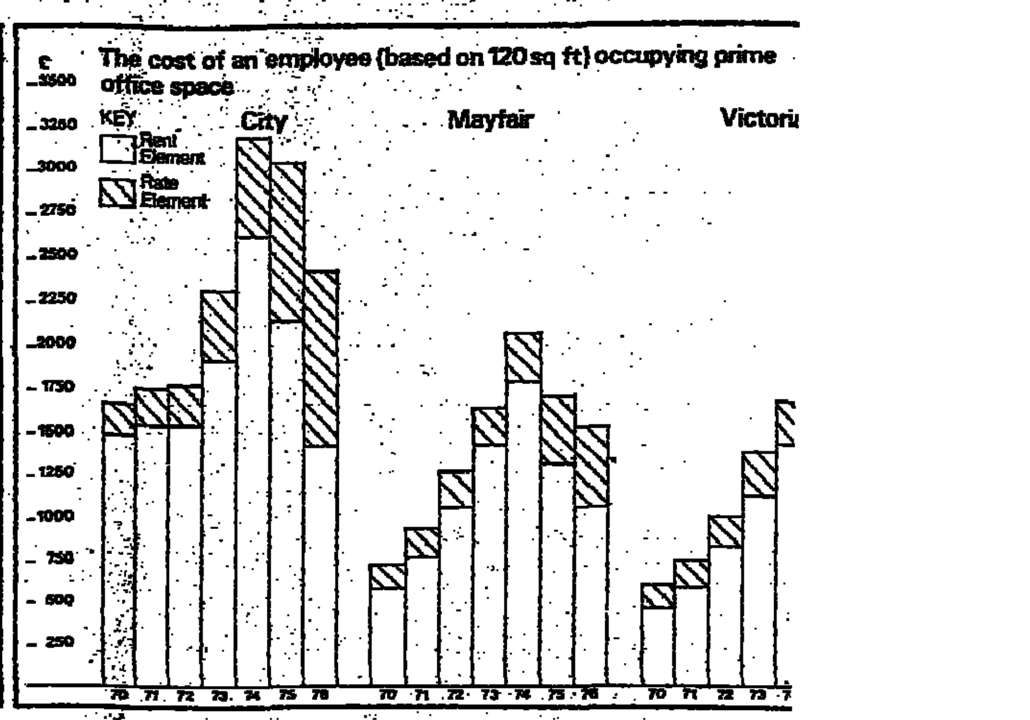
Planning

Perhaps the stronge[...] towards a more stabl[...] lies in a distinct shift o[...] by the planning autho[...] most important of whi[...] Greater London Coun[...] the City Corporation [...] larly encouraged the b[...] new offices (too readi[...] times, at the expense o[...] areas) the senior [...] authority has often s[...] consider that any gran[...] ning approval was a [...] print money. This wa[...] rather than planning [...] message—aided by [...] about jobs in the capit[...] the short-term in the [...] tion industry—appears [...] have got home tha[...] scarcity which creates [...] booms. The swiftness w[...] the Chiswell Street co[...] gained, in order to alle[...] developers' tax burder[...] sign of the changed att[...]

There is evidence th[...] stitutions are prepared [...] City developments, or t[...] directly themselves. W[...] national tenants deman[...] or well-refurbished sp[...] development activity [...] essential if the present [...] of the City property [...] to be maintained.

Quentin Gui[...]
Property Corre[...]





Source: Debenham Tewson and Cl[...]

Rates burden more predictable

Where rates were once a small fraction of accommodation costs in the City, their proportion of the total bill has since 1974, been growing at the rate of around 20 per cent. a year to those contemplating leasing good modern space. The rate bill itself will have nearly doubled over the two years and the rent will have declined. The effect of these opposite movements is that where market rents have dropped by more than 40 per cent. in some cases, the total of rents-plus-rates (leaving aside the other escalating factor of service charges) will have come down by only a fifth.

The tenant taking space now, however, has an advantage in rating terms not held by those who entered the City during the boom years. Three years ago the perceptive had to anticipate sharp rate increases. Perhaps few foresaw the magnitude of these increases, but all realised that there was a large imponderable in their costs factor beside what then looked like an inevitable rent increase at the time of the first review. The present new tenant at least knows that Government policy is firmly on the side of cutting increases in local authority expenditure.

This year the increase in the commercial rate in the City was pegged back to 12.1 per cent. Next year's figure—that is for rates payable in the 1977-78 financial year—will not be known for three months, though a fair guess can be made once the Rate Equalisation demand is known around the end of January. The betting had been on a level of increase around 15 per cent.

That, however, was before Mr. Peter Shore's announcement this week of a rate support grant settlement which at first appeared to favour metropolitan boroughs handsomely but has since given rise to second thoughts due to the "claw-back" figures governing transfers from one year's funds to the next. It would, however, still be a surprise if the City's rate increased by anything substantially above the 15 per cent. mark.

This, though a higher rate of increase than for the current year, would still mean that rates, which threatened to deter potential tenants from the area, are now back in a predictable curve. A brief analysis of the period since 1970 indicates the extent to which they had gone out of control.

Valuations

On the old valuations, the rise in the rate between 1970 and 1972 was from 65.8p to 88.5p. The big jump came with the new list the following year where rateable values of commercial property in the City increased 4.1 times against an average of 2.4 in the rest of London. With the poundage back to 29.6p, this nevertheless meant a jump from £1.91 in rates payable per square foot to £3.32 for a prime City office. The rates payable the following year were £4.65 on the same space and in 1975-76 this figure shot up to £7.35. In the current year, the bill would be £8.24 per square foot, a remarkable figure when the market rent for such a space might be down to £12. Broadly, rates are now likely to represent two-thirds of market rent for the new tenant of modern City space.

Is this fair? The City has always borne a heavy rates burden and most would say rightly, at least in the proportion it contributes to other boroughs. The money for London's services has to come from somewhere and the City is there to make profits. Against those profits the rate burden is trifling, it has been argued. The figures suggest otherwise.

The City itself will keep only £22.9m. this year of the £162m. raised by its rates. The majority of the rest goes to the Inner London Education Authority, the other large chunk to the Greater London Council, with the Thames Water Authority and Rate Equalisation Scheme splitting the last 10 per cent.

The explosion in rates has stemmed from the precepts for ILEA and the GLC. These two bodies, plus the Equalisation Scheme, accounted for only £17.5m. from City rates in the year from April 1970. By 1973 the figure had reached £49.7m. and then came the explosion to £73m. in 1974 and £117.2m. in 1975.

Relocation

Even though next year's increases will be much lower than these the rates factor is still, against the background of static rents, the growing cost in City accommodation. As such, it must increase the attractions of relocation even at a time when City property is a buyer's market. Apart from broader decisions to move to the suburbs or to the outer regions, the attractions of fringe areas with quite different rate burdens increase. In particular the West End, and the areas between the West End and the City have benefited from the dual pull of lower rates and lower rents.

It is perhaps this factor which accounts for the continuing difficulties of letting space in Fetter Lane, an off centre area which nevertheless carries the City rate burden. Parallel to it, Chancery Lane shows in miniature the pull of different rating costs in different boroughs, for the south end of the street comes under the City, the north under Camden and the middle under the City of Westminster. Those in Westminster appear to have the best of it at present.

The chart and graph from agents Debenham Tewson and Chinnocks show the effects of rising rates against falling rents and the influence on costs per employee. It should be remembered that such statistics apply only to those signing new leases or completing reviews. For most, the cost per employee is far less, with the company enjoying a below market rent, though where it signed up around 1973 the position is much blacker. It will be stuck with both its high rent and its escalated rates. Based on a space requirement of 120 square feet per employee, those who signed leases at around £20 a square foot will now be paying around £3,500 per head a year in rent and rates alone. The much more common position, however, is that where City rates are already more than the rent passing.

Not all City businesses have surrendered to the growing burden. Last year there was a brisk business in appealing against revaluations and as rents have continued to fall in some areas there has been considerable success in appealing against rating liabilities by proving the fall to take them 10 per cent. below gross values. It is not thought, however, that such appeals have yet made sufficient inroads on income for it to justify an increase in the rate in the pound.

There have, however, been suggestions of a different method for assessing the contributions to London's local government by both the City and Westminster. Even among less extreme Labour politicians there have been suggestions that the City should be levying a further £30m. a year. This would bring forward the time when rates, from their present two-thirds of market rents, rise to equal or exceed them. That would leave the City in a curious and unprecedented position, with the proportions contrasted to the present 40-45 per cent. in the West End and around 30 per cent. in the provinces.

The City Corporation will fight hard to delay the day when rates exceed rent, as will bodies like the Committee on Invisible Exports, but this remains a threat for the future.

Q.G.

هكذا من الأصل

The need for conservation

ALARM has been ... at the disappearance ... rebuilding of older properties in ... much so that the ... the Protection of ... ings, the Georgian ... Victorian Society ... Trust have banded ... produce a book ... the City" (price ... of the above- ... take or share one of the thirteen chapters.

This business of conservation in a city which is the hub of the financial and commercial life of the nation, not to say of the world, represents something more than an "exceptionally difficult and unenviable task." There is no one who would wish to see the wholesale disappearance of the City's character, built up over the centuries.

... party was set up ... p to define the ... s of the City with ... king recommenda- ... ed to safeguard as ... ble of its "unique ... nd appearance," ... ame time remain- ... of the "enormous ... redevelopment" ... ng that those re- ... conservation and ... an exceptionally ... unenviable task.

... cipal recommenda- ... de, all of them ... heir intent. They ... hings as future ... in which the City ... for a spasmodic ... nt record of con- ... the broadest ... encouragement of ... y tree planting. ... c which ideally ... ned although this ... y impossible, dis- ... upper level foot- ... d for more resi- ... tion and the safe- ... excavation of ... sites. All these ... rgued about by a ... uthors who each

Yet it should be realised that the City has almost completely been rebuilt about every 50 years during the last 200. There was the Georgian City, the Victorian City, the Edwardian City, the neo-Georgian City and now we have the neo-Elizabethan City. Our trouble is that we have found it possible in the last 25 years, through the swift development of foundation techniques in dealing with the London clay, to build high.

Where is it to stop and who or what will stop it are two good questions; for we have certainly gone far enough. The band of brothers who have produced this book have no doubt that the future scale and character of city building can properly and reasonably be controlled. The eminent architectural historian and critic Sir Nikolaus Pevsner, in his chapter on post-war architecture praises a number of the new city buildings.

Even Richard Seifert, a much maligned but first-rate commercial architect, is praised by the objective Sir Nikolaus for buildings in Newgate Street and Gracechurch Street, but these are buildings which come within the scale of their surroundings. The National Westminster giant tower of over 600 feet, also by Seifert, naturally comes in for the greatest criticism, but one must not forget in spite of this that continual change also follows—for want of a better term in this case—even in the context of economics.

Not only this, but although only *appearing now* as a two-thirds complete height, this scheme was conceived at least ten years ago, when developers' pressures were extremely fierce. It was genuinely conceived as the culminating feature of a surrounding group of lower "high" buildings, no more being contemplated following that approval. Moreover always being depicted by the critics as being close to St. Paul's, it is, in fact, a good half-mile away.

It is clear now that great efforts are being made to contain new development in the City within reasonable limits. planners in the past 15 years The general aim of the City or so has been to group its high buildings to north and east of St. Paul's so as to preserve views of the Cathedral from west and south from across the river. This policy has been to a large extent successful, but nobody in their senses could want it to be the passport to a limitless orgy of development on purely financial grounds irrespective of the City's physical character of a truly traditional financial centre.

Conservation

Conservation is an "in" word. Behind this and in a wider context comes the undoubted essential to all concerned with the City of *maintaining* as much as *conserving* the continuing characteristics of an ancient capital. The Romans would not recognise the present City, neither would the mediaeval developers nor their successors. But all, if that were possible, would recognise the existence of a financial core with a change as constant to finance as the developing physical character of this metropolis.

It is to maintain this visual traditional thread that the necessity arises to examine carefully the economic advantages of exploiting conservation rather than building anew. In this very admirable collection of essays in "Save the City" Robert Stokes writes on the economics of this very subject. "There is a noticeable increase in interest" he writes "by prospective commercial tenants simply in the aesthetic appearance of old buildings . . . aesthetic appeal is especially important where it provides a personality or particular identity to a building."

A major and economically justified example of this is provided by Thames House, Southwark Bridge, a building of 1911, in which the interior has been modernised "to a standard that is indistinguishable from that offered by a prestige new building," with full air conditioning, new staircases, lifts and lavatories. The modernisation was completed within 12 months. How long would it have taken to demolish and rebuild, to obtain planning consent (which is not necessary if the outward appearance is not altered and the basic use is maintained) and to endure public enquiry following public opposition?

Planning administration and its tedious delays certainly encourage such operations and it seems that cost comparisons when measured against time are of great significance. Moreover an old building such as Thames House has a considerable potential for expansion within its original and decorative envelope: passages are too wide, main staircases are too grandiose, division walls between offices are too thick, chimney breasts which project into rooms throughout the building take up a disproportionate amount of space. The ceilings of boardrooms and principal floors are far too high, and so on.

So, along with a continuing process of public participation in important developments, a watchful eye must be kept on the small erosions that can so easily destroy a character so long-maintained. No doubt in the broader spectrum of conservation areas it will frequently be found that an important traffic route will nullify the possibility of designation, for no conservation area should be crossed by a through route for traffic. The City can now, during economic restriction, prepare for the day a few years ahead when pressures will again be devoted to obtaining still more working space within the square mile.

H. A. N. Brockman
Architecture Correspondent

Gradual slowdown in development

FOR AN AREA where development was meant to be grinding to a halt, there are plenty of cranes in the City. Most prominent are the twin hoists 450 feet up on the National Westminster Tower building, climbing toward 600 feet and 52 storeys. It will be a remarkable building, and at a remarkable cost. It exemplifies the lead-time on City property developments: work started on the project in the same month as that on the Sears Tower in Chicago. The American building, all 4.5m. square feet of it, is up and let. Scheduled completion of the National Westminster's 630,000 gross square feet is in 1978.

There have been unusual technical problems on what will be Britain's tallest building. But building in the City, given difficulties with site access is never quick. With delays in planning or the complication of ground leases and tenancies in buildings to be demolished, completing a scheme is often a matter of decades—the Stockham (Stock Conversion and Oldham Estates site on Finsbury Pavement where demolition is currently in progress is a project first pieced together in the early 1960s).

So the present construction activity is in some senses a hangover from the boom days. The escalation of building costs, diminution in rents and increased financing charges have certainly changed the arithmetic of the schemes, and present examples of decisions to go ahead with schemes rather than leave sites empty is no guarantee of continuing development activity into the 1980s.

But there is a contrary case to be put on development in the City, one which is closely linked with the institutional view of purchasing existing investments. Given building costs of £50 a square feet, professional and financing charges to add a third, and allowing the site to cost half of this total to take cost to £100 a square foot, there is still, with a 20 per cent. gross to net loss, a good case for developing to an expected rental of £10 a square foot. In fact the argument which might keep investors out of the City is that, tied in this manner to costs, any rents over around £10 a square foot are showing an unjustified scarcity value. To those developers confident that good modern space will command substantially more than £10 a square foot there is something to go for in those sites which do not command an inflated value.

Institutions

The institutional issue of whether to buy in the City, develop in the City or leave the area alone is one which has split opinion during the last year. There has, however, been a consensus of opinion that the City has lost its prime rating and that only at higher initial yields can the purchase of anything but the best modern space be purchased. Among the deals publicly announced, the sale of City Gate House, by Electricity Supply Nominees to PFPUT, for just under £11m. was done at an initial yield over 10 per cent. The leaseback deal between Berkeley Hambro and the GEC pension fund for 41-51 Bishopsgate, at £10.4m., indicated an initial yield around 10 per cent.

Such yields illustrate how far the institutions have re-rated *older City properties* against the modern provincial blocks which appear to offer much greater scope for rent increases, *if only to keep some relation to* building costs. But equally, for modern (in this case comprehensively refurbished space) there was the £6.8m. paid by Legal and General Assurance (Pensions Management) for Zimco House, where the net income of £506,000 would show after purchase costs a yield around 7½ per cent., and this on a building thought to be over-rented at £13 a square foot.

If the institutions are to be persuaded to back some of the major development schemes of the future—Liverpool Street being the obvious case where a consortium of funds would appear the likeliest method of funding—then they will have to be convinced that, despite the probability that City rents will never again show the growth of the decade to 1973, there will remain a premium rate for the top quality new space, as well as the ensured premium for modern leases over those with 7, 10 or 14-year reviews.

The Electricity Supply Nominees would appear to be one fund which has put its coat firmly on more modern space, selling City Gate House, funding the 180,000-square-foot Angel Court development (in which Samuel Montagu was, before its merger with Midland, to take space) and, in the past month, starting work developing a small block of 11,260 square feet of offices at 105-109, Cannon Street.

This is an interesting decision in that Cannon Street already has much new space on the market. Where Bishopsgate was, perhaps, last year's test case of whether new developments would let up (they have, and it is now a fully fledged banking location, though the modernised No. 55 has still to be let). Cannon Street represents this year's test. It is a harder one, for this is a less established location.

Two of the City's major public company developers, Land Securities (through CLRP the quoted company with the largest City holdings) and Trafalgar House, have virtually completed space here. There has been no marketing yet for CLRP's 112,800 net square feet which runs down between Martin Lane and Laurence Poutney Hill, which suggests a pre-let, but Trafalgar House's unusual building at No. 80, 40,000 square feet with a tubular lattice frame on the outside of the building, is being actively promoted.

Lettings

In the case of this, and the Singapore Monetary Authority's Granite House (the deal which Jim Slater considers one reason for the Singaporeans turning against him), the asking rents are in the £16 a square foot range, which is so far not substantiated for the area. There are numerous smaller offices, of varying age and condition, also available in the street, and Compass Securities is currently building a 28,000 square feet block.

Further up Cannon Street, to the West, Credit Lyonnais is now installed in the first phase of its elegant new headquarters, with the second stage being built, and if ESN really has the appetite for development, then there is the site opposite, bounded by Bow Lane, Watling Street, Salters' Court and Cannon Street, at the moment derelict, which it owns in partnership with the Salters' Company. Present intentions are to go ahead with a 100,000 sq. ft. scheme.

Potential developers will be anxiously watching this area over the next year to see if the demand for modern space is sufficient to create profitable investments in an area not normally regarded as prime. They will equally look at the progress at the other end of the City, where the Wingate Centre and the National Westminster Computer building will be major contributions in pushing the boundaries of the City property market eastwards. A sign of increased development interest in this area is that GUS Property Management is now planning, after the existing buildings have lain empty for 18 months, to go ahead with its scheme for 40,000 square feet of office and showroom space in St. Mary Axe.

The extent, however, to which development companies can influence future building in the City must be limited. The main questions will be answered by the institutions. The shortage of prime investments in the area means that those who still favour a proportion of City holdings in their portfolios must look closely in the next few years at the prospects of developing, almost certainly without pre-lettings, in what has proved for them a volatile market.

Q.G.

Uneven pattern of demand for rented accommodation

THE PROPERTY market in the City of London is unlike that in the rest of the U.K. not only because of its very different level and pattern of rents but also because its fortunes are not solely tied to domestic economic and financial influences. The international position of much of the City ensures that its level of lettings, for example, can be very different from the office market even in the West End, let alone other cities.

Although rental values in the High Street are broadly linked, after allowing for time lags and local characteristics, to the level of personal consumption and economic activity in the U.K., the direct influence on parts of the City is the state of the international shipping and insurance markets.

A clear example can be seen at present in the strength of lettings and relative firmness of rents around Lloyd's. This is a direct reflection of the continued strong increase in business of Lloyd's. Its underwriting and portfolio investment earnings from overseas have, for example, risen from £147m. to £190m. over the past couple of years, while the *invisible* earnings of insurance brokers have increased from £60m. to £104m.—and are still rising sharply. These companies and the many small concerns associated with Lloyd's are consequently still expanding and looking for new space.

At one end of the scale, this has been reflected in the development schemes of certain brokers, such as Sedgwick Forbes, and in the purchase of larger new buildings, notably the acquisition of the former Port of London Authority headquarters (Amalgamated House as it was for a time) by Willis Faber and Dumas. In addition, there has been the constant demand for smaller suites of offices in the immediate vicinity of Lloyd's, sustaining rents in the area, by companies which have to be within a couple of hundred yards of the Lloyd's building.

Lettings

The continued activity in other of the City's specialist international markets, such as the Baltic Exchange and various commodity markets, is reflected in the steady stream of fairly small lettings in EC3, where most of these activities are concentrated. The Richard Saunders figures show that the number of units let in this postal district has been higher than elsewhere in most recent months, and the *total* area of lettings in EC3 has also been greater than in other postal districts.

Similarly in other parts of the City, there has been no sign of a significant letting-up in demand from foreign banks. Whereas the annual November review by The Banker magazine had in 1975 shown a downturn in the number of overseas banks with London offices — for the first time since the survey started a decade ago—the latest review shows a rise in direct representation from 244 to 255 with a further 93 banks and financial institutions represented through shareholdings in consortium banks operating in London.

A total of 15 foreign banks have opened new branches or representative offices—with four very small representative offices being closed down. Among the new arrivals have been banks from a number of OPEC countries, mainly from the Middle East, as well as some from the more advanced developing countries. Meanwhile, other banks have been moving to new and larger offices—for example, Bank of America to the former Gateway House in Cannon Street.

The fall in the pound and Britain's internal economic weaknesses have had no direct effect on the number of banks since the attractions of operating in the City of London have transcended such problems. Anyway, a large *proportion of* their business is offshore and not directly affected by sterling exchange rate movements.

Foreign banks operate in the City because of its established status as a leading world financial centre, with the concentration of expertise, skills and communications: the high rents in London by international standards were never that much of a stumbling block and even the importance of this factor has been reduced by the fall in sterling.

A much greater threat would come from any measures which might affect the tax position of overseas residents here—such as the proposal in last year's budget which before a major amendment would have sharply increased the taxes paid by U.S. executives working in the U.K., and reduced the attractions for them of working here.

But these favourable influences have only applied to part of the City's activities and, of course, in the more domestically oriented sectors business has been more sluggish and the associated property market has been correspondingly weaker. The obvious example is the Stock Exchange where the continuing low level of bargains, which tends to be reflected after a lag of about a year in the lettings trend in EC2, has resulted in sharp cutback in new inquiries for space from stockbrokers and a sizeable amount of space being placed on the market.

In the domestic banking field, the collapse of several secondary banks and the reorganisation and slimming down of others—Slater Walker as one recent, well-known example—has also released space onto the market: such banks had been a major source of demand for space in the early 1970s.

The recession and the partial recovery have also obviously affected other potential space users in the City such as commercial and Government agencies, and the impact can perhaps best be seen in some of the fringe areas, such as Fleet Street, where a number of sizeable buildings have been on the market for some time. Just as the level of economic activity affecting various specialist City markets has varied, so has the level of demand for space, producing the patchy pattern of demand and rents which can be seen to-day.

Demand

The property market is also, of course, affected in a number of more intricate ways by economic and financial developments, apart from changes in the level of demand linked, however loosely, to the economic cycle. This is being seen most clearly on the supply side where the financial crisis and fall in property values which started almost exactly three years ago not only led to the collapse of a number of previously active developers but also to a halt to new schemes by most groups.

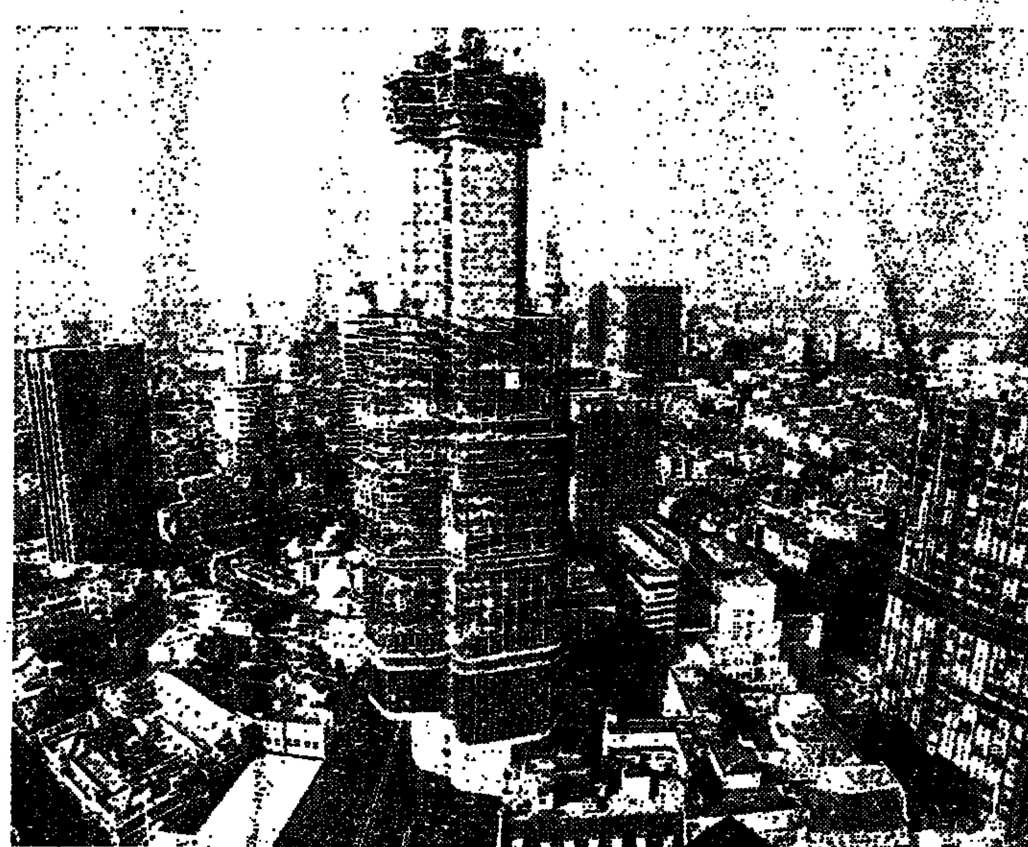
The impact of this takes some some time to work through, especially as demand has also been sluggish and patchy but the effect can be seen now during a short stroll round the City in the comparative handfull of new projects started recently.

Even for the financially sound groups, the current high level of interest rates and the inflation of building costs have [illegible] a sharp cutback in new [illegible] ment and the latest sq[illegible] banking credit and pr[illegible] industrial customers h[illegible] out the banks as source[illegible] building finance. Th[illegible] from a few isolated exa[illegible] looks like being some[illegible] fore there is a wave of [illegible] ment on the scale of [illegible] 1960s and early 1970s.

This is possibly the [illegible] portant single influenc[illegible] City property market. [illegible] demand outside the i[illegible] and other specialist a[illegible] remain flat for som[illegible] in line with the econom[illegible] ally, when demand e[illegible] revives the current s[illegible] good quality space [illegible] taken up faster than an[illegible] in supply from new [illegible] ment which only becom[illegible] able after a considera[illegible] lag.

The wider econo[illegible] affects the property m[illegible] the level of rates im[illegible] occupiers. The City of [illegible] has been feeling very [illegible] the impact of the sha[illegible] growth in local authori[illegible] ing. This is because [illegible] contributes to the rat[illegible] come outside its own [illegible] London: indeed its sha[illegible] Greater London Counci[illegible] come has risen from 11 [illegible] to more than 17 per c[illegible] 1970. The result, with [illegible] has been that rates on [illegible] City building have ri[illegible] around £1.50 per squar[illegible] over £8 a square foo[illegible] the same period, a [illegible] minder to City institu[illegible] they needed one, of th[illegible] of public spending.

Peter [illegible]



The 600-feet National Westminster Tower, though not scheduled for completion until 1978, is already starting to dwarf all surrounding buildings. The property market is keenly anticipating the bank's announcement of what space it may vacate when it moves to its new headquarters.

Industrial decline

BETWEEN 1971 and 1974 factory space in the City of London declined from 223,000 square metres to around 200,000 square metres. And significantly, some 10 per cent. of the latter figure was empty space. As for warehousing premises, though the decline has been smaller—from 498,000 square metres to 400,000 —the vacancy rate had risen by 1974 to a frightening 20 per cent.

The more interesting figures, however, would be those describing the space according to age and facilities. These, unfortunately, are not available, but unofficial sources suggest that one in five of all industrial buildings in the City were built in Victorian times and less than 10 per cent. can in any way be considered modern.

Hence, the high, and rising, level of vacant premises at a time when overall supply is falling. The simple reason why so much of the City's manufacturing and storage space is lying idle is that it is impossible to adapt to to-day's manufacturing and storage methods.

The majority of the existing buildings are multi-storey with minimal, or frequently, no off-street access, low ceilings and floors incapable of bearing heavy loads. Again, typically, the streets in which they are located have severe parking and unloading restrictions in addition to chronic traffic congestion, and bans on heavy lorries.

For would-be tenants, such premises are worse than useless. They are looking for single storey units with eaves heights in excess of 20 feet (for warehousing), with loading bays and yards capable of taking containerised loads in locations where access by juggernauts is easy.

The prospects are no less grim. Economic conditions have curtailed commercial development throughout the country and no less so in the City. While this may mean that little further industrial space disappears to make way for offices, it also means that industrial developers are also chary of undertaking schemes unles they have a particularly good chance of success.

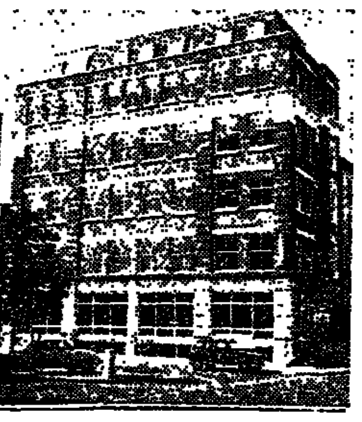
And, unfortunately, City schemes do not come into this category. In the first place, it is difficult, if not virtually impossible, to piece together sufficient parcels of land to make up a site suitable for a viable development project.

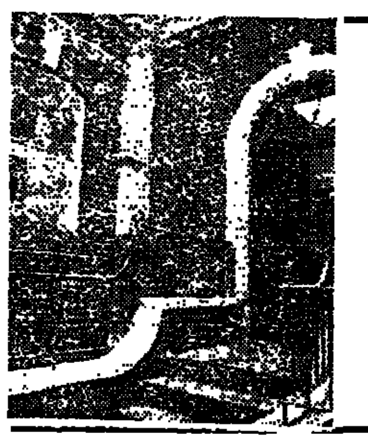
Then there is the problem of cost. Modern industrial development needs to be single storey with plenty of room for loading aprons and further expansion. To develop City land in such a fashion would entail rents in excess of those charged for office space. Even to-day City land is expensive.

It only becomes viable if every inch is used and if the air rights are exploited by vertical building. In fact, the planning regulations encourage this. In parts of the City, developers can get plot ratios of 3½:1 for industrial building. And the land is priced accordingly. Obviously, this means multi-storey buildings, which is where the whole concept founders.

One way in which planning authorities could have a beneficial effect on this vicious circle would be to introduce new

(CONTINUED ON NEXT PAGE)





هكذا من الأصل

هكذا من الأصل

'lanners at odds with market forces

n three decades
ional and local
rated on the
t both people
be encouraged
from areas of
n to localities
either desired
mmodated.

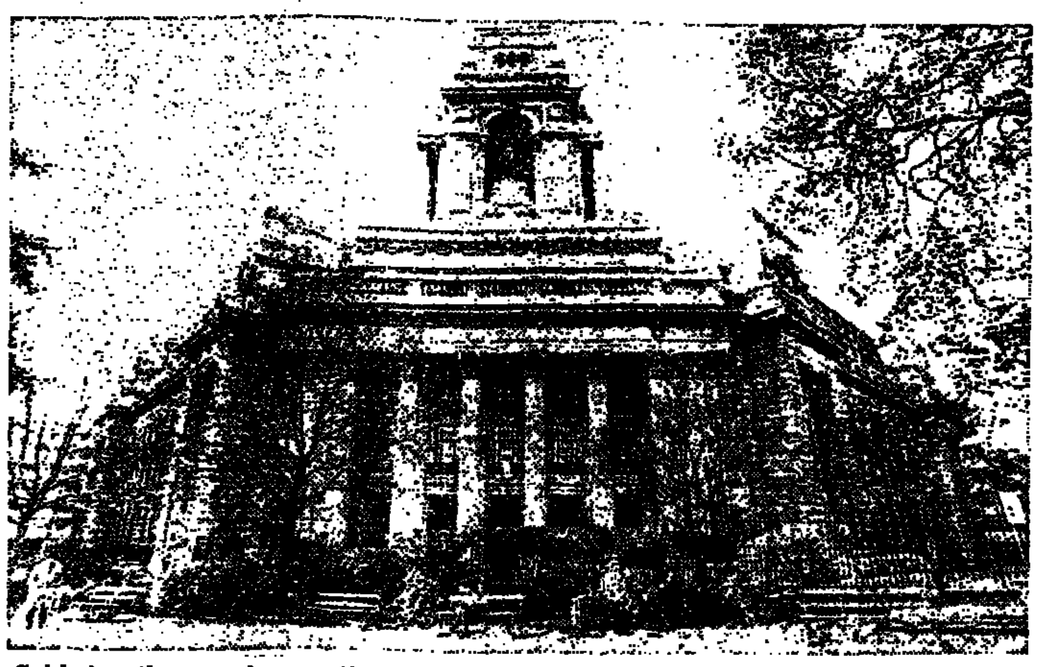
level, this has
d as meaning
nployers should
o locate their
he older indus-
f the country
industries have
and unemploy-
in substantially
nal average.

planners have
to conform to
icy, and while
ree to identify
ber of "growth
n their own
icks, they must
asis that these
r in national
are located in
the South East
ids, which are
atively well-off

still in the
ly come second-
rities, such as
of the City of
re expected to
own planning
the limitations
set by their
at national,
nty—or GLC—

on

on underlying
tivities is that
ll generate the
n be steered to
he present re-
by far the most
e experienced
, is therefore
ous period for
orse from their
the clear evi-
and continuing
employers and
ies from cities
s to less con-
a scale that is
reate as big a
ustrial decline
tus in Greater
ts of the West
bation as can



Sold by the receiver acting for Whiteaway Laidlaw after the failure of Amalgamated Investment and Property, Willis Faber and Dumas paid £13.75m. for the modernised former PLA building. It was the major example during the year of a trend to owner occupation.

nowadays be found in the inner urban areas of Merseyside and Clydeside.

The flight from the cities has been evident in all regions of Britain since the early to mid-1950's. It is also almost certainly irreversible. Industrialists prefer to site their new plants away from inner conurbation areas not so much because this is what the planners want but because of the lack of space and heavy transport and employment costs of these inner areas, while families move out in search of better housing conditions, a more spacious environment, and a higher quality of life generally.

This migration has moved local authorities in both London and the West Midlands to press the Government to adopt a more flexible approach to its regional policy. On the face of it, the recent announcement by Mr. Eric Varley, the Industry Secretary, that the Government was conducting an "extremely critical" examination of regional assistance policy might be interpreted as indicating a measure of success.

But the Government's review appears to have been prompted more by the desire to make regional aids more selective financially than by the thought that they should be more discriminating geographically. The fact that the "assisted areas" now embrace 65 per cent. of the area of the U.K. and some 43 per cent. of the total population may undermine the whole point of a regional policy but it is an eloquent testimony to the political difficulty any government faces in de-scheduling an area after it has once been placed on the assisted list.

What is even more remarkable is the apparent belief at both national and local level that manufacturing employment is of far greater importance than office employment. The shift away from manufacturing towards service industries has been as evident in North America, Japan and on the Continent as in this country. Politicians from all parties may acknowledge the very substantial contribution which the service industries located in the City of London and elsewhere make to the country's total overseas earnings. The growth in the demand for new office accommodation may stem from the higher standards desired by employers and employees—and from those laid down by statute—as well as reflect the secular increase in office employment. Yet many national and local planners still have a dichotomous attitude towards factory and office jobs.

True, national planning policy may be changing. The review published earlier this year by the Government's Urban Affairs and Commercial Property Directorate marked an attempt to move away from the practice of using Offices Development Permit powers purely negatively by simply denying permission for new construction in particular areas like the City of London. It proposed that ODP applicants should be required to show that a move to an assisted area was not practical so as eventually to reduce the disparity in office employment between regions.

At the level of the GLC, the penny has not even begun to drop. The GLC leaders have been campaigning hard for the Government to relax its industrial location policy so as to make it easier to attract new factory employment in London, particularly in dockland. Yet it is still insisting on its policy of limiting new office development in central London to some 3m. sq. ft. between 1976 and 1981.

This is in spite of the indications that the volume of unoccupied office space in the City and in central London generally is gradually being taken up. It is in spite of the inevitability of an eventual increase in office rents while the supply of new office space remains tightly restricted, as was seen — and as was also predictable — after the introduction of ODP control in the mid-1960s. It is also in spite of the GLC's fears that the flight of employment and people from inner London will erode the tax base of London local government and so push up the cost of local authority services to the employers that remain, especially in the City where rateable values were revalued on the basis of the peak rentals obtainable in the early 1970s.

As if this were not enough, the GLC is still keen to go ahead with its idea of taxing the owners of private off-street parking space.

Transport policy

One may understand the thinking that lies behind this aspect of the GLC's transport policy. But it is churlish, to say the least, for local planners to stipulate that office developers should provide this parking space as a condition of planning permission for their new projects, as the GLC did in the 1950s and early 1960s, and then not much more than a decade later to shift their policy 180 degrees and demand a substantial annual payment unless they convert this garaging accommodation to other purposes. It is foolhardy in the extreme for local authorities, which are already concerned at the relative decline in their rateable resources, to be so short-sighted as to consider adding further to the financial disadvantages facing office employers who would prefer to retain a central location.

Perhaps one day planners will learn how best to canalise market forces instead of acting as if they did not exist.

Colin Jones

Design

CONTINUED FROM PREVIOUS PAGE

building ratios — say, of 0.5:1 — which would then force down the value of the land. Alternatively, they could alter the regulations covering "mixed use," so that a site could have a number of separate independent users.

This could result in the optimum use of the space. Obviously the ground floor would then become industrial use and the floors above office use not necessarily ancillary to the industrial premises. While this would make many sites viable it would not help in every case as the proximity of manufacturing employment would put a dampener on the office rents achievable. Still it would be a start.

Another start in the right direction has been made with the relaxations of IDC controls. One does not now need an IDC for a building of less than 15,000 square feet — a move which has loosened up letting activity at this popular smaller end of the market.

While only a minor concession this new minimum limit has particular application in the City. Agents, Edward Erdman, for instance, say that the majority of inquiries for space in the Clerkenwell and similar areas on the City fringe, are for less than 7,000 square feet. It must now be encouraging to would-be tenants that they can double their space requirements without heading for the maze of IDC planning requirements.

There is also the minor change granted for replacement IDCs where the building is more than 65 years old. A miniscule relaxation so far, but it may pave the way for more generous concessions. There are rumours of much greater relaxations of IDC controls, and the likely emphasis will be towards the automatic granting of replacement certificates so that industrialists can rebuild on their own sites.

IDC controls

Whether this will actually come about, there is no evidence. What is known is that it would meet the strongly urged needs of London's surviving manufacturers. And, to back up the rumour, there is the fact that planners are now considerably worried about the loss of jobs in central London.

One further factor, which could bring future good news, is the collapse of the Government's plans for dock labour zones. Now that the Government has accepted a half-mile cordon round the docks, in place of the five miles that it wanted, central London is no longer under threat of a complete monopoly by dockers.

According to agents, the effects of the change have yet to be fully assessed, but it has removed the uncertainty surrounding the area and could mean that a few selected projects might now go ahead which would otherwise have been abandoned.

This does not, let it hurriedly be said, indicate a sudden surge of new building. The Corporation's planning department could recall only one recent application for industrial building permission—and that was for the Diamond Trading Company in Charterhouse Street. Applications are few and far between.

With the best will in the world the Corporation and the inner London boroughs are unable to help manufacturers who wish to remain in London but need new buildings, apart from easing their path in seeking changes of use from warehousing to light industrial on existing premises.

And this is not much help to manufacturers who need to rent premises purpose built for manufacturing, not warehouses which will have wasted air space and rental levels pitched at labour-light storage costs.

Nor is there very much guidance for industrialists (including warehousemen) on rental levels. Because so little of the space in the City is "prime" (perhaps only the Hanover St. George Securities' Kings Cross scheme qualifies and the asking rents there are £2.25) the range of rents is too broad to be of use. There is talk of premises available at 25p a square foot, and others at £2.50. Only by patiently trailing round them all can a tenant decide what amenities are available.

Christine Moir

Rent reviews the acid test

"AT LAST they have stopped cutting City rents." This weary remark involves a generalisation which is never quite true in such a specialised market. But it is a widespread impression which has survived through the rise in interest rates and it provides a neat solution to the question of what is the true market value of leased space in the City.

Just forget nearly four years seems to be the answer; continue the unspectacularly rising graph of rents from 1970 till the middle of 1972. Ignore everything that happened between then and the spring of this year and you have a straight line which produces, to-day, a band between £11.50 a sq. ft. and £13.50 to take in most of the better class space in the traditional banking centre of the City.

There are a dozen reasons to dispute this thesis, not the least being that a case can be made for the prime locations in the City having shifted from the minute's-walk-from-the-Bank area eastwards to the sector around Lloyd's. And exceptional new buildings have continued to beat this performance graph comfortably while numerous fringe areas, artificially boosted to within striking distance of prime rents in the boom, have continued to slip further and further behind. In the older blocks on London Wall and even in new buildings in the Fleet Street area— geographically within the City but only loosely tied to its central property market — it would be an optimist who said that rents are no longer being cut.

Trend

Another new trend, which is becoming evident in the market for most sizes of office—the exceptions being mainly in the small suites of 2,000 square feet or less—is that precise location is possibly becoming less important than the quality of space. In a sense those moving to new premises now are the survivors of the worst post-War crisis for the City. Those who have come through are looking for better quality space and while this applies particularly to the domestic user, it has always been true of the foreign tenant. Where tatty space could once be related in cost to the prime market, particularly if adequate inducements were offered in rent-free periods and fitting costs, there appears to be little market for it at present.

A wrinkle in this pattern is that good space no longer necessarily includes air conditioning. The summer stretched some of the less efficient systems to the limit, particularly in tall glass-faced blocks. There is a case for noise being the prime argument for air conditioning: if you are not on a street so busy that no one can hear with the windows open, then settle on north-facing windows and spare the cost.

Graph

Another consideration, in attempting to establish a graph of typical City rents is that the larger size units appear to be fetching a premium. Marketed at present there are only seven over 50,000 square feet, three in EC2 and four in the fringe area of Fetter Lane.

The shortage of the very large 100,000 square feet plus building suitable for the head office of a major company is a feature of the market, not that such structures have ever been easy to obtain in the City. But it is an interesting coincidence that of four such buildings to be involved in occupation deals this year, two have not been leasings, but owner-occupier purchases. There were special factors to both Willis, Faber and Dumas's buying of Amalgamated House and to Tate and Lyle's of Custom House, but in both cases part of the logic of the deals must have been that City rents had nowhere to go but up, however gradually, from their level this year.

The point at which they go up from, or hold steady at comes back in many cases to that straight line from the mid-72 levels. There is some confirmation, tested in appeals, from the rating departments of City agents. The tone of the City list for the 1973 revaluations was cunningly taken a little later than in most other areas of the country. It has usually been interpreted as the first half of 1972. In the first half of this year rents were "teetering around the 'tonal' figures," in the words of one authority. Since then they have hardened a little.

The testing ground for these levels has been in the review proceedings and arbitrations. Rents in the boom years were landlord-led and even developer-led. The cutting of City rents, contrary to impressions of all landlords being desperate to rid themselves of space and interest charges at any price, came mainly from vacating tenants. One case sums up both the vacating tenant pressure and the extent to which rent reviews are the real test of rent levels in the bulk of City space.

This concerns the Save and Prosper Group, which in 1972 took the lease on 9,650 square feet of the P&O building. The rental was £131,000, with reviews next month and in 1981 and 1986 before the lease expires in 1989. The rent level of £13.50 per square foot was quickly passed in 1973 when a few tenants in such high quality buildings signed leases at more than £20 a square foot. So in 1974, when S & P decided it did not need the space and decided to assign the lease, the subtenancy was originally offered on the market at £190,000.

However, it took 18 months, until August of this year, for any tenants to agree terms and finally an offer from grain broker clients of Kinney and Green was accepted. The offer was at the same 1972 level of £131,000 a year, with S and P paying a reverse premium of £35,000 and throwing in the fixtures and fittings for nothing (value around £25,000).

But that leaves S and P to settle this December's rent review (from which it has also offered its tenants immunity from any increase). Healey and Baker chose to make the matter public before the (unappropriately Christmas Day) showdown. They stated that, "The rent equates to some £12.0 per square foot for the P and O Building and in view of the time taken to dispose of this lease, must cause some concern to the landlords who must be looking for increases when their reviews fall in shortly."

These are blunt remarks (perhaps there was a little extra feeling because S and P had offered to surrender, or take a new lease, solutions which seemed to them to offer something for both landlord and tenant in a tricky situation) and are an example of the infighting which goes on in these reviews. Comparables in the building would include Tokai Bank paying £15 a square foot this year for ground floor space which would not quite rate a banking hall premium, and White Weld getting a £15 a square foot judgment at arbitration last year.

Assumptions

Other tangental information would lie in the rent assumptions which went behind Jones Lang Wooton's revaluation for this year's accounts of P & O's London properties. The P & O building itself had been valued at £61m. in 1963 but the accounts did not show by how much this had been reduced, for the write-down (which did not go onto the books) to 55 per cent. of previous value also included older buildings in the City and West End. While no pre-judging of the review decision is possible, it would be very surprising in the circumstances if anything but a token increase was decided.

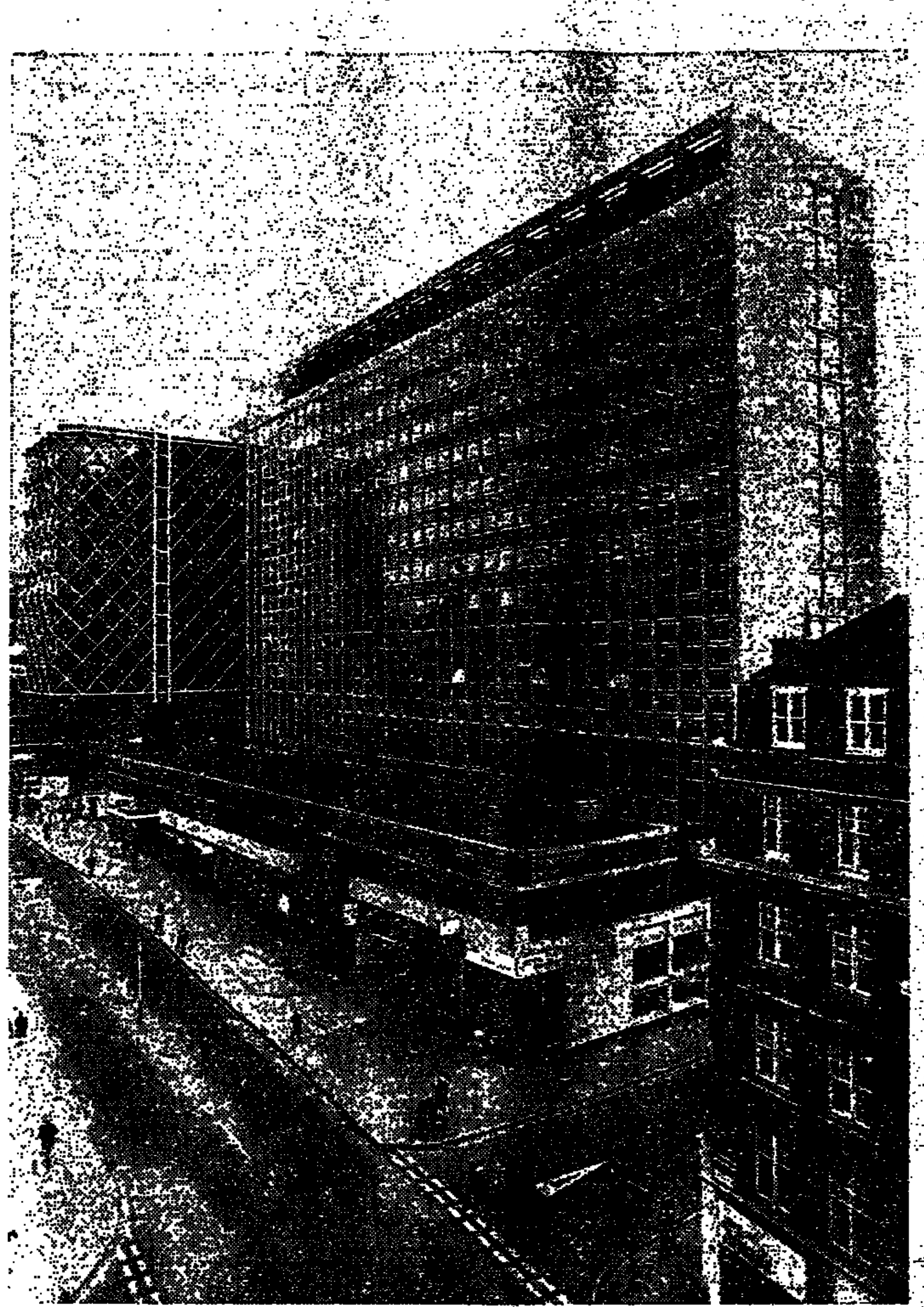
This is a typical example of the rent review which gets down to fundamentals—there being no sitting tenant, who must weight his acceptance level to the cost of moving and trying to sub-let or assign. At the same level of the market Winchester House will be a battleground in the New Year and lower down it London Wall is seeing notable scraps. The dif[...] of surveyors acting fo[...] lords in one instance, ter[...] another, and even as exp[...] a third, will increase in [...] years of the 1970s as t[...] certina effect of rent revi[...] terns is felt.

That, however, concern[...] space, as does the prob[...] crease in marriage valu[...] to buy out lease, like S.[...] burg's £5m. purchase th[...] from Royal London [...] Assurance, and assumi[...] the prime market will i[...] modern space (with a fe[...] tions for period building[...] very top locations) th[...] pattern of rents over t[...] few years is likely to be [...] by a relative handful [...] developments.

The rents here may b[...] somely above the averag[...] shown in any graph o[...] City rents (Richard Ell[...] projection published th[...] have indicated a deficit [...] supply" space for a p[...] the end of 1977 and a m[...] timing one from mid-[...] Their forecast is base[...] slackening in world e[...] recovery which would [...] a City take-up of space [...] per cent. higher next y[...] this).

Whether such a [...] materialises or not, it is [...] see that rents will aga[...] anything like the same [...] in 1972-74. It is also [...] that estimates of new [...] ments, particularly w[...] planning authorities' ne[...] tolerant attitutde, will [...] be too low. In the ab[...] the sort of economic [...] which produces urgen[...] demands, the promise [...] ings even two or thre[...] ahead could prove ade[...] prevent any panicky lea[...] inflated rents.

It must be the h[...] although rents may nee[...] further, given the co[...] land scheme to encour[...] ther development, an[...] escalation would onc[...] bring the risk that acc[...] tion in the Square Mile. [...] ever-increasing rates [...] grew disproportionatel[...] sive and endangered th[...] working structure of [...] This is still, even at its [...] level and with the fall[...] ling, as expensive co[...] space as in any rival [...] centre.



Two generations of City office development: the Cannon Street Station block (designed by John Poulson), sold by Town and City Properties to Lloyds Bank as part of its degearing exercise. And beyond it Trafalgar House's 80, Cannon Street, one of only three buildings in the world of this design, with a tubular lattice frame on the outside. Finished this year, it is currently being marketed.

Bacon and egg prices will increase next week

BY RICHARD MOONEY

BRITISH BACON and eggs will be dearer in the shop next week following a £25 a ton increase in the first-hand bacon price and a 4p a dozen rise for all grades of eggs, announced yesterday.

A spokesman for FMC, Britain's biggest bacon curer said the rise to £990 a tonne was timed to catch the traditionally strong pre-Christmas market. He said his company had been anxious to close the £60 a tonne gap which opened up at the beginning of last month when the Daines raised their price by £35 a tonne against a £10 increase by FMC. The Danish price remains unchanged at £1,025 a tonne this week but Irish and Ulster bacon goes up by £25 a tonne.

The danger of a serious disruption to Britain's bacon supplies disappeared yesterday when workers at the Esbjerg central export depot, Denmark—through which all Danish bacon exports to the U.K. pass—voted to end their two-day strike. The 67 container lorry drivers had stopped work in sympathy with fuel transport workers, whose industrial action continues.

The strike halted the export of 800 tonnes of bacon to the U.K. but the Danish agricultural producers organisation in London said the supply chain should be back to normal within a few days.

Goldenlay egg marketing consortium said the rise in egg prices would mean that for the first time since August nearly all British producers will be making a profit. The steady fall in production resulting from the loss-making situation had at last brought output more or less into line with demand, it said. Further rises before Christmas were unlikely.

Killing ended

Dai Hayward, Wellington Correspondent writes: *Striking cold store workers who have brought New Zealand's most important industry*—meat killing and processing—to a complete halt as the new season should be swinging into top-gear, have warned the Government that they are prepared to extend industrial unrest if the Government interferes with the strike.

Union leaders told Mr Peter Gordon the Minister of Labour in a private meeting that if the Government moves non-union labour or servicement into slaughter-houses not one black-leg carcase of lamb or beef would leave New Zealand.

The union is believed to have been promised support from meat inspectors and transport unions to ban any meat moved during strike.

Meat can not be exported if it does not carry the stamp of a Government meat inspector.

The strike has already cost New Zealand over $NZ40m. in lost pre-Christmas sales to Smithfield and other markets. *One big order from the Soviet Union is now in doubt because* the Russians wanted the meat there before Christmas.

Bill to curb fish limits published

By Rupert Cornwell

THE GOVERNMENT yesterday published details of the new Bill to extend the fisheries limit around British shores to 200 miles, including tougher licensing powers to cover foreign vessels for the first time and regulate over-fishing.

Extension of the limits is planned to take place on January 1, 1977, as part of a joint *move by the nine Common Market countries.*

The measures could lead to curbs on fishing for certain species in particular areas at particular times, to preserve depleted stocks. The overall number of boats engaged in a specific fishery and the type and size of the vessels may also be controlled.

The Bill will lift substantially penalties for any breach of the regulations. For the most serious offences, the maximum fine on summary conviction will go up to £50,000, with *provision for an unlimited fine* for conviction on indictment.

Quota system under fire

By Our Commodities Staff

MR. CHARLES MEEK, chairman of the White Fish Authority, told a Commons select committee on the fishing industry yesterday that the licensing of fishing vessels could be the most effective *way of protecting fish resources.*

He said the quota system had fallen into disrepute. "The quotas agreed in international negotiations are always far in excess of the catch levels recommended by the scientists," Mr. Meek said. He also questioned the accuracy of catch reporting.

The licensing of vesels would allow the use of spotter aircraft to detect illegal fishing and identify the culprits, he argued. This would avoid the need for prohibitively large protect'on fleets to board and arrest vessels at sea.

Mr. Meek made no secret of his dislike for the Common Fisheries Policy.

He said he saw no more justification for other EEC members being allowed free access to British fishing grounds than to British farming land.

SHRIMP LIMIT

MEXICO CITY, Nov. 25.

The U.S. and Mexico have signed a fishing agreement which will sharply reduce shrimp catches by U.S. vessels in Mexican territorial waters reports UPI.

U.K. AGRICULTURE

Export sales bring calf market boom

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE CALF market is booming. The average price for calves from one to four weeks old sold in five representative markets last week was £40 per head. At the same time last year, the average price was £29.53. For Friesian bull calves, the breed favoured for intensive beef systems, the price rises were particularly strong.

In the same week last year, of 1,583 Friesian bull calves sold at these markets 24 per cent. made £50 or over and 28 per cent. less than £20. Last week of 1,951 sold, 33 per cent. made more than £50 and only 10 per cent. made less than £20.

The strength of the trade has almost certainly been due to demand from the Continent, principally France, but with Italy and West Germany competing as well.

The annual export figures show a striking growth. In 1974 exports of calves totalled 13,000, in 1975 they rose to 130,000 and until the end of September this year they amounted to 162,000 and are still running at more than 10,000 a week. It is generally expected that they should reach 250,000 head by the end of the year.

Projected forward as potential beef, 250,000 calves would represent 50,000 tons of beef, about 5 per cent. of our present production. The main effect of the trade on the consumer at present is a shortage of second quality calves for slaughter, mainly for manufacturing. These have fallen by about 50 per cent. on this time last year. Farmers have been buying them for rearing as the better calves are, in their eyes, too expensive for the present economics of beef production.

Foreign buyers are attracted by lower prices here due to the weakness of sterling, and in contrast to the generally higher level of prices current in the Community for all classes of stock. Friesian calves are worth £80 or £90 in France at present, which will allow the purchaser to pay carriage and the export levy or monetary compensatory amount of £10.35 a load and still make the operation worthwhile.

It is also the case, that because the majority of European dairies are spring calving, there is a shortage of calves at this time of year which makes the large numbers of autumn-born British calves particularly attractive.

The exported calves come from the top end of the market, as they have to weigh at least 50 kilos before shipment, which makes them the best on offer. Calves of this weight are probably two to three weeks old and *are able to stand the stress of* the journey without harm.

Dairy farmers are of course delighted. Sales of calves surplus to requirements form a very valuable income supplement, and the increased returns must, together with the very strong trade for "cull cows," go a good way to compensating them for the increases in feed costs, and the effects of drought.

Disgruntled

On the other hand specialist beef and veal producers are naturally disgruntled. *They find* that they cannot compete for the best of the Friesian calves on offer, and have to make do with the smaller calves which although quite healthy, do in many cases take more time than the best to reach maturity.

The other main cross for rearing beef is the Hereford Cross Friesian which produces a black calf with a white face. Here the price rise has been even more spectacular although in a normal season the Hereford cross has been rather more valuable than the pure Friesian. In 1975, again at the representative markets 27 per cent. of Hereford cross bull calves sold for more than £50 and 7 per cent. less than £20. This year those over £50 amounted to 72 per cent. of numbers sold, while those under £20 were less than 3 per cent. of the total offering.

The Hereford cross is popular in Britain because it is more of a beef animal and will mature on grass at a much smaller size and weight than will the pure Friesian. Even so, the very high prices being paid for these calves makes the profitability of the beef finally produced from them doubtful, unless prices in a year to 18 months are on a much higher plane

To-day, for instance, the average price for steers and heifers is about £30 per live cwt. For similar cattle on the Continent, it is around £45 to £50 per live cwt, an increase of at least 50 per cent. Beef farmers in their optimism are hoping, either for a massive increase in Intervention prices to get them out of trouble, or for greatly increased exports once the "Green Pound" has been adjusted.

This would allow them to share more of the European price, at present much eroded by the export monetary compensatory payments.

In some respects, the *European purchasers of these calves* are better placed. Most of them will be sold as veal or bull beef, a matter of three to 10 months keeping, instead of the long-term husbandry customary in Britain. In addition, the European consumer has only recently begun to resist high prices.

But the market is finely balanced. Intervention stocks are said to be 5 per cent. of total production, and it is very possible that before long beef will become the political embarrassment that milk already is within the Community.

Brazil halts soluble coffee sales

BY SUE BRANFORD

SAO PAULO, Nov. 25.

IT WAS decided yesterday at a meeting of the Brazilian Association for the Soluble Coffee Industry to suspend exports of soluble coffee until next January, at least. *According to* Sr. Benjamin Belinky, the association's president, this move in part stems from the fact that very large quantities of coffee are at present being exported.

"Altogether, 5m. bags of green and soluble coffee are to be exported during November and December," he commented. Further meetings will be held to decide which period would be most convenient for the re-opening of export registries.

The decision is in line with the recent measure taken by IBC to authorise a large increase in the minimum registry price for exports of green coffee, which now stands at $1.70 per pound. Traders here believe the price *rise will virtually bring coffee* exports to a standstill until the second quarter of 1977 at least.

Indeed, both measures clearly reflect concern at the dwindling stocks in Brazil after the large volume of coffee exports authorised for the last quarter of this year.

Sr. Belinky told Reuter that Brazil may buy more coffee from Central America within a few months. He said Brazil's soluble industry is already considering how to cover its needs for 1977-1978.

Given the continuing tight supply situation in Brazil for some time to come, further imports from Central America once the new-crop supply posi*tions there become clear, should* not be excluded.

Meanwhile the Brazilian Coffee Institute (IBC) would neither deny nor confirm the reported sale of 2m. bags of coffee to the U.S. company, General Foods. However, traders here believe that the transaction is likely as it is well known that Sr. Camilo Calazans, IBC president, is in favour of seeking large deals with traditional buyers. Some of these deals could involve as much as 10m. bags over a number of years.

● The *EEC's* import tariff on green coffee will be cut to 5 per cent. from 7 per cent. effective January 1, Commission sources said in Brussels.

This results from recent negotiations in the tropical products group of the current multilateral trade negotiations (the Tokyo Round) under the auspices of the General Agreement on Tariffs and Trade.

It was noted that imports of Green coffee from the African, Caribbean and Pacific (ACP) countries were already duty-free under a separate EEC agreement.

Steep rise in cocoa

BY OUR COMMODITIES STAFF

COCOA PRICES rose sharply on the London futures market yesterday, wiping out some of the losses suffered earlier in the week. The March position closed last night £48 up at £1,911 a tonne.

Reaction against the recent downward trend, which some dealers feel may have been overdone as speculators panicked, was given as the main reason for the rise, particularly after the market failed to break through some downside chart points.

At the same time, sentiment was influenced by a report that rain in Cameroun was slowing down the movement of supplies to ports, and forecasts of a relatively low Ghana purchase figure this week. It was noted producers remained reluctant sellers.

Bauxite group holds more pricing talks

BY CANUTE JAMES

KINGSTON, Nov. 25.

THE INTERNATIONAL Bauxite Association (IBA), which has its headquarters here will continue its study of minimum prices for bauxite and alumina when the Ministerial council meets in Freetown, Sierra Leone, next week.

The council will have before it several recommendations which were agreed on by the IBA's executive Board at a meeting here in September.

Informed sources consider that despite agreement by the Board, the political decisions on the matter which the Ministers of the 11-member countries are expected to take, may prove more difficult.

So far, all the IBA has managed to do in its two year search for acceptable minimum prices is to impose a short-term pricing policy on 1976 exports.

Mr. Henri Guda, the IBA secretary-general, said earlier this year that establishment of a viable long-term pricing policy was not an overnight affair, and demanded considerable study.

...ODITY MARKET REPORTS AND PRICES

...TALS

MEAT/VEGETABLES

SMITHFIELD (Prices in pence per pound)—Beef: Scotch killed sides 47.0 to 51.0, Ulster hindquarters 50.0 to 53.0, forequarters 34.0 to 37.0, Eire hindquarters 50.0 to 53.0, forequarters 35.0 to 38.0.

Veal: Dutch hinds and ends 63.0 to 66.0.

Lamb: English small 40.0 to 48.0, medium 40.0 to 46.0, heavy 40.0 to 45.0, Scotch medium 40.0 to 46.0, heavy 40.0 to 46.0, hill 40.0 to 46.0, imported frozen: New Zealand PL 47.0 to 47.5, PH 44.0 to 46.0, YLs 45.0 to 46.0.

Pork: English, under 100 lbs 32.0 to 39.0, 100-120 lbs 32.0 to 38.0, 120-160 lbs 32.0 to 37.0.

MEAT COMMISSION—Average fatstock prices at representative markets on Nov. 25. GB—Cattle £30.90 per live cwt (+0.67); U.K.—Sheep 53.6p per lb edcw (+0.7); GB—Pigs £4.96 per sc lw (−0.02). England and Wales—Cattle numbers down 2.8 per cent., average price £30.33 (+0.70); Sheep numbers down 17.4 per cent., average price 54.1p (+0.9); Pig numbers down 14.1 per cent., average price £4.94 (−0.01). Scotland—Cattle numbers down 2.8 per cent., average price £32.02 (+0.60); Sheep numbers up 17.2 per cent., average price 51.9p (+0.7); Pigs nil.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Spanish: Navels/Navelinas 2.80-3.60; South African: 72/138 3.80; Jaffa: Navels 3.80-4.35. Satsumas—Spanish: trays approx. 20 lb 2.50-2.80. *Clementines*—Cypriot: 2.60-3.60. Lemons—Italian: 3.50-3.60; Cypriot: 3.30-4.00; Turkish: 2.40-2.60; South African 3.50-4.50, 2/3 2.70-3.00. Cranberries—U.S. per 8 oz packet 0.15; 16 oz packet 0.26. Apples—French: Golden Delicious 2.00-2.40, Stark Crimson 2.00-2.20, Granny Smith 2.60-2.80, Starking 2.00, jumble pack Golden Delicious 2.80; Italian: per pound Golden Delicious 0.08, Granny Smith 0.13, Starking 0.08½-0.09½. Pears—Italian: 14 lb Passacrassane per pound 0.05½. Melons—Spanish: Green 2.30-2.50, Yellow 2.40-2.70. Grapes—Spanish: Almeria 1.60-1.70, Black 2.60-2.80. Chestnuts—Portuguese: per 10 kg 4.20-4.80; Spanish: per 5 kg A 1.90, AA 2.40, AAA 2.80, per 10 kg 4.80-5.50; Italian: 60/65 5.80. Walnuts—Californian: per pound 0.38-0.42. Filberts—Italian: per pound 0.26-0.25. Brazils—LWM per pound 0.27-0.28. Almonds—Cypriot: per pound 0.28. Dates—Algerian: 0.28-0.35; Tunis: 0.27-0.30; Californian: 0.23. Tomatoes—Spanish: boats/trays *3.60-4.00; Canary:* 3.70-4.00. Cucumbers—Canary: per 10-16 prepacked 1.50-1.80. Onions—Spanish: 5.30-5.80; American: 5.00-5.30; Moroccan: per 25 kg 5.70. Lettuces—Dutch: 24 2.50. Celery—Spanish: 24/30/36 prepacked 3.00.

English produce: Apples—per pound Bramley Seedlings 0.06-0.11, Worcester Pearmain 0.06-0.06, Cox's Orange Pippin 0.08-0.14, Golden Delicious 0.07. Pears—per pound Conference 0.06-0.09, Glou Morceau 0.05, Comice 0.09-0.11. Potatoes—per bag 3.50-4.50. Carrots—per net 12½ kg 0.80-1.50. Lettuces—per 12, round 1.00-1.30. Celery—per 18/20 prepacked 2.90, ordinary 20 2.10, 12 1.00-1.10. Capsicums—per 8 lb 2.10. Onions—per 25 kg net 4.00-4.60, picklers No. 1 28 lb 1.40, cocktail 10 kg 1.00. Cabbages—per net/box 1.00-1.30. Cauliflowers—per 12, Lincoln 2.00, Kent 2.30-2.70, Jersey 24 6.00. Swedes—per 25 lb Devon 1.00, Scottish 1.00, York*shire 0.90. Parsnips—per 28 lb* 1.70-2.00. Sprouts—per 20 lb 1.80-2.20. Mushrooms—per pound 0.35-0.40.

★

GRIMSBY FISH—Supply fair and demand good. Prices, per stone, at ships side (unprocessed): Shelf cod £3.70-£4.40; Codling £3.20-£3.90; Large haddock £3.50-£4.00, medium haddock £3.00-£3.60, small haddock £2.00-£2.20; large plaice £3.80-£4.30; Medium plaice £3.50-£3.80; Skinned dogfish (*medium*) £2.70, large £4.70; Rock fish £2.00-£2.50; Reds £1.80-£2.10; Saithe £1.90-£2.20.

★

COTTON—Liverpool. Spot and shipment sales amounted to 52 tonnes, bringing the total for the week to 617 tonnes, reports F. W. Tattersall. Supplies for winter shipment *were again under consideration* with Middle Eastern growths predominating. Support in African and various American grades was also reported.

M25 section

A 2½-mile length of the M25 between Egham and Thorpe in Surrey will open on December 1. It will relieve traffic on the A30 road and will be the second new section of the London outer orbital route to come into use south of the Thames.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Nov. 25 1976	+ or —	Month ago
Metals			
Aluminium (x)	£579	......	£579
Free Market (cif)	$[illegible]	......	$850-860
Copper			
Cash Wire Bars (x)	£763	−3.0	£767.5
3 months do. do. (x)	£798.5	−3.0	£806.25
Cash Cathode (x)	£749	−3.5	£753
3 months do. do. (x)	£784.5	−3.75	£792
Gold ...Troy oz.	$130.75		$117.625
Lead Cash (x)	£278.75	−0.5	£274.5
3 months (x)	£292.75	−0.5	£290.75
Nickel (x)	£3,361	......	£2,930
Free Market (cif)(lb)	$1.96-2.1	......	$2.0-2.15
Platinum (x) troy oz.	£106-10	.5	£109-115
Free Market	£94.65	......	£97.1
Quicksilver (76lb) (x)	$105-10	......	$95-100
Silver Troy oz.	263.6p	+0.6	259.9p
3 months	274.1p	+0.6	270.7p
Tin Cash (x) §	£4,950	+30.0	£4,947.5
3 months (x)	£5,151.5	+54.0	£5,032.5
Wolfram 22.04lb. cif	£86-89		£80-85
Zinc Cash (x) §	£370.5	+0.25	£378.5
3 months (x)	£388.2	+0.5	£398.75
Producers (x)	$790	......	$795
Oils			
Coconut Malayan	‡	......	‡
Groundnut	£532	......	£526
Linseed Crude (x)	£450	......	£450
Palm Malayan (x)	$455k	......	$445
Soyabean (x)	‡	......	‡
Seeds			
Copra Philipp. (x)	$560g	......	$540
Gr'nuts Nigerian	‡	......	‡
Linseed Can. No. 1	£207.5g	......	‡
Grains			
Barley EEC	£78g	......	£82
Home Futures	£79.7j	......	£78.45
Maize			
French No. 3 Am.	£79.75g	......	£84
S.A. Yellow	‡	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	£79.7g	−0.05	£84.9
Australian (f.a.q.)	‡	......	‡
English Milling (k)	£86g	......	£87.5
Cocoa Shipment (x)	£2,020.5	+39.5	£1,887.5
Futures March	£1,910	+48.0	£1,817.5
Coffee shipment (e)	‡	......	‡
Futures Jan. (x)	£2,328.5	+14.0	£2,056.5
Cotton 'A' Index cent	65.7	......	67.45
Jute LJABWC (d)	$358r	......	$305
Rubber kilo	60p	−2.0	58.5p
Sisal EASL (x)	$600r	......	$600
Sugar (Raw)	£120	−2.0	£120
Wooltops 64s ...kilo	510p	......	520p
Cloves Malagasy	£4,100k	......	‡
Pepper White...ton	£1,415r	......	£1,510
Black...ton	£1,[illegible]r	......	£1,29[illegible]

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. *a* Seller's quotation. *b* U.K. and Commonwealth refined *e* Uganda Robusta standard grade indicative prices fob. Mombassa US cents a pound. *d* Bangladesh white "C." *g* Dec. *h* Jan.-Feb. *i* Jan.-March. *j* Jan. *k* Dec.-Jan. *q* April-May. *r* Nov.-Dec. *x* Metric tons.

FINANCIAL TIMES

Nov. 24	Nov. 25	Month ago	Year ago
248.83	247.51	248.60	169.01

(Base: July 1, 1952=100)

REUTER'S

Nov. 25	Nov. 24	Month ago	Year ago
1556.7	1560.6	1561.0	1157.7

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Nov. 24	Nov. 25	Month ago	Year ago
Spot	352.98	355.91	348.54	291.81
Futures	352.87	355.00	347.68	282.21

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 24	Nov. 23	Month ago	Year ago
Sple Commty	818.8	823.6	800.5	750.4

(December 31, 1931=100)

COPRA—Philippines, (per tonne): Dec. and Jan. $360 resellers cif North European ports.

U.S. Markets

NEW YORK, Nov. 24.

Cocoa—Ghana spot 149½ nom. (152½ nom.). Bahia spot 146½ nom. (149½ nom.). Dec. 138.10 (137.00), March 131.80 (134.90), May 126.15, July 120.80, Sept. 116.25, Dec. 105.31, March 101.30 nom. Sales: 2,050.

...

Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 357½ (347½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ⊕ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. *b New "B"* contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. *c* Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. *d* Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

Poland will buy Canadian grain

OTTAWA, Nov. 24.

CANADA announced a grain sale to Poland to-day of between 750,000 and 1.2m. metric tons of wheat, oats and barley over the next three years, reports AD-DJ.

Should Poland agree to purchase the maximum 1.2m. metric tons or about 40m. bushels, the accord could be worth about $120m. to Canada, based on an average price of $3 a bushel.

The accord provides three-year credit terms made possible by a Government guarantee of payment to the Wheat Board.

PUBLIC NOTICES

METAL SYNDICATION

STOCK EXCHANGE REPORT

Equities rise late in anticipation of NIESR bulletin

Index up 3 points at 302.0—Gilt-edged ease

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21
Dec. 13	Dec. 30	Dec. 31	Jan. 12

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A long list of company trading statements and bid situations, the latter both rumoured and actual, dominated the scene in an otherwise lacklustre day in stock markets. Nevertheless, leading equities staged a late improvement in anticipation of a bullihs quarterly bulletin from the National Institute of Economic and Social Research, after moving between extremely narrow limits during official dealings. After being 0.9 up at 10 a.m. and easing back to show a loss of 0.1 at 3 p.m., hte FT 30-share index closed 3 points higher on balance at 302.0. The third-quarter results from ICI were judged by some to be slightly disappointing and the price drifted back from 296½p after the announcement to 283½p before ending 2 better on the day at 293p.

Fading hopes of a further reduction in Minimum Lending Rate in the near future made for an easier trend in Gilt-edged securities. Losses ranged to ⅛ in the shorts and to ½ in the longs, but the trend was to slightly better levels in the after-hours' trading. The Government Securities Index shaded 0.10 further to 58.28.

Overal, it was a very quiet day, with official markings again below the 4,000 mark. Changes were few and far between in secondary issues, but rises just had the edge over falls in FT-quoted Industrials. The FT-Actuaries Index improved 0.4 per cent. to 129.63.

Gilts ease

In the absence of any sizeable buying interest, the market in British Funds began drifting gently lower in unison with the early easiness in sterling. Quotations at the longer end also succumbed to routine Thursday selling and were ½ off before the development of a small demand which reduced the losses to ¼. The shorts were also experiencing a quiet day and showing falls similar to the longs before picking up a shade late. Funds generally were unimpressed in the after-hours' trading by the speculation concerning the NIESR bulletin.

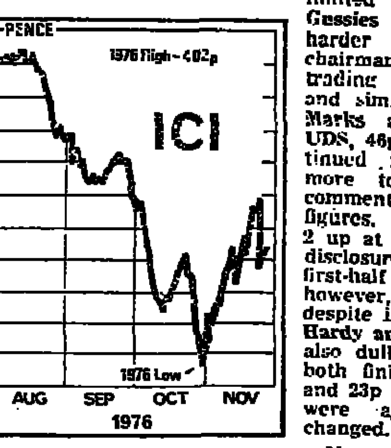
Interest was restricted further in the investment currency market by the holiday closure in the U.S. and the premium drifted back ½ to 120½ per cent. Yesterday's SE conversion factor was 0.7141 (0.7120). Foreign Railways became interesting on the El Salvador agreed compensation announcement; Salvador Railway Consolidated stock rose 5 to £8½, the 5 per cent. (Non-Cum.) Income Loan gained 14½ to £29½ and the 5 per cent. Prior Lien Debenture jumped 55 to £90.

Banks quietly firm

Dealers reported a quiet session in the big four Banks which closed slightly better where changed. Lloyds edged forward 3 to 168p. Among Foreign issues, ANZ put on 3 to 340p; the results are due next Monday. Discounts were softer in places with Alexanders 5 off at 175p and Gillett down 3 more at 145p.

Brokers fared best in the Insurance sector where late interest helped C. E. Heath rise 8 to 299p and Sedgwick Forbes 6 to 226p. Minet hardened 4 more to 133p for a two-day improvement of 9.

Cements were notably dull in Buildings following the day gloomy statement on prospects contained in Tunnel Holdings interim report the latter's "B" shares closed 10 off at 119p, while Rugby Portland finished 2 cheaper at 42p and A.P. Cement lost 4 to 128p. Elsewhere, Tarmac shaded 3 to 107p on the implications of the public spending restrictions. On a more cheerful note, British Dredging hardened 2 to 19p on the return to profitable trading in the first half, while trading news was also reflected in French Kier, a penny better at 9½p.



Standing at 296½p in front of the interim report, ICI reacted in thin trading to 283½p following third-quarter profits in line with market expectations but rallied late to close 2 better on the day at 293p.

Decca up

Press comment directed attention to Decca, the Ordinary closing 7 better at 207p and the "A" up 6 at 192p. M.K. Electric responded to news of substantially higher first-half profits with a rise of 2 to 78p, while Whitworth, 10p, and Brocks, 41½p, put on 1 and 1½ respectively. Petbow were active and 9 higher at 122p, after 124p, following speculative demand, while Philips Lamp moved up 10 to 890p on Overseas advices. On a dull note, Racal Electronics, at 216p, gave up 2 of the previous day's rise of 5; the interim results are expected next Thursday.

Although the undertone was firm, movements in Stores were limited to a penny or two. Gussies "A" closed a penny harder at 131p following the chairman's remarks on current trading at the annual meeting and similar gains were seen in Marks and Spencer, 80p, and UDS, 46p. House of Fraser continued firmly, rising a penny more to 58p following Press comment on the third-quarter figures. Lee Cooper were finally 2 up at 60p, after 63p, following disclosure of sharply increased first-half profits. Vernon Fashion, however, eased a penny to 28p despite improved interim figures. Hardy and Co. (Furnishers) were also dull, the Ordinary and "A" both finishing 2 cheaper at 24p and 23p respectively. Mail Orders were again idle and little changed.

News items produced several small features in Engineerings, while the leaders often regained Wednesday's losses. Tube Investments pulled back 4 to 270p and GKN were 4 better at 282p, but Hawker, which had advanced 7 the previous day, improved only 1 to 386p. The higher dividend forecast put London and Midland Industrials up 5 to 41p. Triplex Foundries were 2 dearer at 50p after the good interim figures and Brockhouse the turn harder at 41p on the preliminary results. Penrad, which announced another half-way loss, were raised 1 to 10p, but Blakey's (Malleable Castings) improved 1 to 22p following the first-half recovery. Elsewhere, Staveley Industries rose 5 to 130p, A. Cohen gained the same amount to 115p and Davy International advanced 4 more to 133p. Herbert Morris also closed 4 higher, at 130p, but 600 Group slipped 2 to 48p after the interim results, while Renold lost 4 to 103p on the second-half warning. Hawthorn Leslie, in Shipbuildings, rallied 2 more to 32p.

Kinloch continued to attract interest following Wednesday's announcement that terms had been agreed with Booker McConnell and rose to 231p but closed 2 cheaper on balance at 228p, a discount of 7 on the cash bid. Cadbury Schweppes, however, finished a penny up at 33p following news of the Board reorganisation. J. E. Sanger also closed a penny harder at 44p, after 45p, following the interim figures, but Cullens Stores, at 80p, made no apparent response to the half-yearly report and, in Supermarkets, Tesco closed marginally easier at 27p after Press comment on the interim figures. Ladbroke continued firmly in Hotels and Caterers despite bid denials, closing a penny better at 84p, after 86p. Adda International finished fractionally better at 9½p and Trust Houses Forte moved up 2 to 91p.

Ozalid wanted

Interest in the Industrial market yesterday centred on second-line stocks. Aggressive buying fuelled by bid rumours helped Ozalid improve steadily to 85p before a denial from the Board brought the price back to 80p; however, the shares took off again late and eventually closed 13 up on the day at 86p. Speculative demand ahead of next Tuesday's results left International Computers 5 higher at 118p and Carlton Industries rose 7 to 55p on the excellent first-half profits performance and optimism about second-half prospects. Crosby Spring, 7p, Pauls and Whites, 70p, and Extel, 60p, all closed a penny dearer following interim figures and, reflecting the return to profitability, Renwick closed a similar amount better at 16p, after 18p. Hays Wharf were 2 harder at 52p, also after trading news, while Press mention helped Rockware edge forward a penny to 65p. By way of contrast, further consideration of the Board's warning that the group's current year profits in North America will be materially lower than last year left Foseco Minsep down 7 more at a 1976 low of 117p for a two-day decline of 17. J. Dykes lost 3 at 23p on the sharply lower first-half profits.

The leaders closed firm with sentiment helped in the later stages by reports of a bullish NIESR report. Beecham added 6 at 326p as did Unilever, to 386p, while Glaxo put on 7 to 360p.

Associated Engineering returned to favour, the Ordinary closing 2½ harder at 68½p and the new nil-paid shares finishing 2 better at 9p premium; the results are due on December 16.

Rolls-Royce gained 2 to 50p, while Dowty, 81p, and Dunlop, 66p, put on a penny apiece. Volvo were a shade better at £22 following the interim statement, while substantially higher first-half profits took Flight Refuelling up 2 to 32p. Kwik-fit, still reflecting recent trading news, picked up a penny more at 27p, but A. Dyson, at 17½p, made no apparent response to the half-yearly report. Garages were quiet and closed without much alteration.

A revival of North Sea oil enthusiasm spurred Thomson Organisation which rose 10 to 387p, while Associated Newspapers edged up 2 to 105p. News items caused selected Paper/Printings to harden including Dolan Packaging, 1 dearer at 57p on the much better first-quarter. Influenced by the midway recovery, Brunning improved similarly to 33p. Elsewhere, Eucalyptus Pulp lost 3 to 36p.

New peak for BP

The proposed removal of price and allocation controls from the U.S. oil companies, a development which had encouraged American buying overnight of British Petroleum saw the latter open higher and consolidate the rise, despite local selling, before edging forward again late to close a net 18p up at a fresh peak of 718p. Shell followed and gained 8 to 404p, while Burmah picked up 3 to 34p after the Indonesian settlement of all outstandings in respect of three selected vessels for $30m. Overseas influences assisted Royal Dutch up ¼ further to £30¾, and secondary issues benefited slightly on the general improvement.

Properties were not quite so sensitive as on Wednesday and began a slight improvement which gained a little more impetus late. Land Securities closed 3 better at 109p along with MEPC, at 89p, while English recovered 1½ to 31p. Estates and Agency responded to renewed speculative interest and gained 5 more to 40p, after 41p, but, in the absence of the rumoured offer from British and Commonwealth Shipping, Country and New Town reached 1½ to 22½p, Stock Conversion, 127p, and Peachey, 43p, both put on 3, while Hammerson "A" picked up 5 to 245p; London City and Westcliff were 1 higher at 23p, compared with the cash offer of 22p per share from Lonrho.

Still reflecting the dispute with Pernas Securities, Sime Darby remained on offer and lost 5 more to 99p for a two-day loss of 9. Other Overseas Traders were better where changed. Mitchell Cotts hardened 1½ to 38½p on news of the company's £188m. iron ore contract in Australia, while Stocklake Holdings, still reflecting the preliminary figures, moved up a penny further to 27p.

Shippings paraded several firm features. Common Bros. were outstanding, touching a 1976 high of 103p before closing 9 higher on balance at 99p on aggressive buying in a thin market and reports of a bullish broker's circular. Demand of a speculative nature helped Lyle "A" improve 4 to 96p, while British and Commonwealth put on 5 to 185p in response to the favourable first-half profits performance; Caledonia Investments, an associated concern of the latter, ended 3 better at 162p, also on half-year results. Sheaf Steam improved 1 to 112p; the offer of 115p cash from Ben Line came late last evening.

Acute disappointment with the preliminary profits left stockjobbers Akroyd and Smithers 12 lower at 153p, after 150p, with Smith Bros. 3 down at 33p in sympathy.

A penny firmer at the house close, Courtaulds improved further late to finish 4 up at 84p. Elsewhere in Textiles, Dawson International Ordinary and "A" both gained 3 to 46p, after 40p, on the excellent first-half profits performance, while renewed demand in thin markets left John Haggas 8 higher at 273p and Montfort (Knitting) a penny better at 36p.

A late rally in Tobaccos left BATs Industries 3 dearer at 258p, after 253p, and the Deferred a similar amount up at 213p, after 209p. Imps ended a penny up at 35p with sentiment Press mention. Rothmans International edged forward to 28½p; the interim is due next Tuesday.

In Rubbers, the companies involved in the ... all took a turn for the ... Golden Hope, 78p, and ... 62p, both improved ... London Asiatic edged a penny to 62p.

Business in mining markets generally remained at a low ebb. The main feature was again provided by the Canadian section, in which ...gate Exploration gave ... the previous day's gain to close at 390p, after rising the equivalent of around 42 ... night dealings in Canada. ...field Minerals, an associate of Northgate, jumped 15 ... owing to Canadian interest. Anglo United put on ...

South African Golds moved narrowly in quiet trading. A modest opening followed the improvement in the bullion price but the subsequent easing of the latter in the afternoon brought a similar movement in shares; they generally came back to overnight levels although higher grade issues were marginally higher on balance. The Gold Mines index edged up to 135.2, while bullion was unchanged at $130.75 ...

In generally easier ...based Financials, Rand ... fell 15 to 405p and Union ... tion 5 to 245p. The London Finance Houses were ... changed with the exception of Selection Trust which ... to 372p.

Coppers tended to ease ... changed, Messina being ... 190p and Minorco 2 lower ... Platinums and Tins were neglected.

Australians were mixed ... ing the lack of direction ... night home markets. ... were firmer with Pan... 25 better at 850p and ... dustries 10 higher at 2... Broken Hill, however, ... 96p and Western Mining ... to 144p.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, Nov. 25, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Wed. Nov. 24 Index No.
1	CAPITAL GOODS (178)	112.40	−0.5	24.17	8.40	6.16	6.11	112.91
2	Building Materials (30)	95.51	−1.7	24.35	10.15	6.17	6.17	96.95
3	Contracting, Construction (22)	138.19	−0.6	32.35	7.89	4.77	4.77	139.02
4	Electricals (16)	214.32	+0.4	20.39	6.32	7.11	6.92	213.48
5	Engineering (Heavy) (13)	144.13	+0.3	33.54	8.94	4.34	4.28	143.67
6	Engineering (General) (65)	106.70	−0.4	24.41	8.77	6.05	6.04	107.13
7	Machine and Other Tools (9)	49.55	—	18.91	8.96	7.91	7.90	49.56
8	Miscellaneous (23)	97.01	−0.7	21.82	9.35	6.76	6.68	97.73
9	CONSUMER GOODS (DURABLE) (53)	96.16	−0.4	25.34	7.41	5.91	5.90	96.57
10	Lt. Electronics, Radio TV (15)	102.43	−1.1	23.69	5.73	6.27	6.27	103.53
11	Household Goods (13)	108.37	+0.4	28.13	11.09	5.42	5.40	107.99
12	Motors and Distributors (25)	65.99	+0.2	26.68	8.56	5.63	5.63	65.87
13	CONSUMER GOODS (NON-DURABLE) (170)	115.37	+0.1	19.83	8.49	7.63	7.54	115.23
14	Breweries (15)	118.61	+0.1	20.11	9.69	7.45	7.45	118.45
15	Wines and Spirits (6)	130.71	+0.9	18.41	8.67	8.54	8.34	129.57
16	Entertainment, Catering (15)	145.75	+0.1	18.12	9.18	8.42	8.34	145.62
17	Food Manufacturing (23)	132.93	+0.1	21.65	7.03	6.97	6.85	132.79
18	Food Retailing (16)	112.03	+0.1	17.40	7.05	8.43	8.43	111.97
19	Newspapers, Publishing (16)	175.41	+1.3	14.77	6.09	10.26	10.26	175.21
20	Packaging and Paper (12)	82.06	+0.3	21.77	9.81	7.05	7.05	81.88
21	Stores (34)	87.76	−0.5	17.60	8.14	8.75	8.73	88.23
22	Textiles (24)	105.95	−0.3	19.11	11.23	8.17	7.41	106.30
23	Tobaccos (3)	183.93	+0.8	23.82	9.39	6.24	6.24	182.45
24	Toys and Games (6)	68.73	+0.9	24.09	9.23	5.57	5.54	68.11
	OTHER GROUPS (95)							
25	Chemicals (26)	174.94	−0.7	18.48	6.60	7.36	7.36	176.17
26	Office Equipment (9)	64.13	+1.3	18.84	8.24	7.76	7.76	63.29
27	Shipping (12)	333.40	—	15.25	7.91	9.36	8.48	333.52
28	Miscellaneous (48)	120.15	+0.3	19.78	9.80	7.60	7.59	119.77
29	INDUSTRIAL GROUP (496)	119.45	−0.1	20.60	8.19	7.11	7.05	119.61
30	OILS (4)	380.92	+2.1	11.18	4.60	10.36	9.63	373.13
31	500 SHARE INDEX	140.17	+0.3	18.86	7.46	7.59	7.44	139.76
33	FINANCIAL GROUP (100)	97.43	+0.6	—	8.07	—	—	96.88
33	Banks (6)	117.58	+0.5	28.73	7.82	5.35	5.35	117.02
34	Discount Houses (10)	132.74	−0.4	—	10.50	—	—	133.23
35	Hire Purchase (5)	66.38	+1.2	10.90	9.88	20.42	20.42	65.58
36	Insurance (Life) (10)	79.72	+0.5	—	9.49	—	—	79.36
37	Insurance (Composite) (7)	78.54	+0.8	—	9.44	—	—	77.73
38	Insurance Brokers (9)	210.65	+0.7	14.27	6.61	10.49	10.49	209.16
39	Merchant Banks (15)	50.68	+0.1	—	8.29	—	—	50.64
40	Property (32)	116.27	+0.6	5.51	4.75	32.30	30.56	116.65
41	Miscellaneous (6)	60.65	−1.0	12.08	6.59	6.89	6.89	61.47
42	Investment Trust (50)	129.62	+1.2	4.09	5.95	25.23	25.23	128.10
43	ALL-SHARE INDEX (650)	129.63	+0.4	—	7.48	—	—	129.13
	COMMODITY GROUPS (Not included in 500 or All-Share indices)							
44	Rubbers (9)	501.87	+1.7	8.23	5.72	16.25	14.81	493.69
45	Teas (8)	151.53	−0.2	32.06	9.35	4.11	3.87	151.73
46	Coppers (3)	156.70	+0.3	41.54	7.15	2.42	2.42	156.21
47	Mining Finance (11)	82.45	−1.0	11.53	5.86	9.69	9.61	83.24
48	Tins (5)	113.04	−0.9	12.51	9.83	12.29	12.14	114.03
49	Overseas Traders (13)	188.78	+0.9	18.47	6.86	7.42	7.41	196.96

FIXED INTEREST

		Thursday, Nov. 25 Index No.	Yield %	Wed. Nov. 24	Tuesday Nov. 23	Monday Nov. 22	Friday Nov. 19
1	Consols 2½% yield	—	15.02	15.01	15.00	15.11	14.99
2	20-yr. Govt. Stocks (6)	44.39	16.56	44.50	44.52	44.33	44.57
3	20-yr. Red. Deb. & Loans (15)	44.49	16.50	44.54	44.50	44.50	44.33
4	Investment Trust Prefs. (15)	43.44	16.00	43.30	43.15	43.16	43.11
5	Coml. and Indl. Prefs. (20)	60.53	14.92	60.32	60.32	60.37	60.32

ACTIVE STOCKS

	Denomination	No. of changes	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	14	293	+ 2	402	256
BATs Defd.	25p	12	213	+ 3	225	183
BP	£1	12	718	+18	718	557
Head Wrightson	25p	11	52	+ 2	55	27
Shell Transport	25p	10	404	+ 8	462	352
Burmah Oil	£1	7	34	+ 3	53	25
Glaxo	50p	7	360	+ 7	422	280
House of Fraser	25p	7	58	+ 1	95	41
Imp. Cont'l. Gas	£1	7	273	+ 1	359	250
Inchcape	£1	7	414	+ 6	452	360
Ladbroke	10p	7	84	+ 1	116	66
Metal Box	£1	7	224	—	302	189
Thorn Elec. "A"	25p	7	148	− 4	288	134
Unilever	25p	7	386	+ 6	500	346
Allied Breweries	25p	6	48½	—	77	45

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22
Dec. 21	Jan. 11	Mar. 24	Apr. 5

Calls were dealt in Berry Wiggins, N. Corah, British Industrial, British Assets, Charterhall Finance, ICI, Ladbroke, Inveresk Paper, Lofs and Metal Box, while doubles were arranged in U.K. Optical, Bowater, Guest Keen, Metal Box, Ladbroke, Slater Walker, Imperial Group, Beecham and Babcock and Wilcox. A short-dated call was dealt in Metal Box, while doubles were arranged in Bowater, Guest Keen, and Ladbroke.

Industrials							
A. Brew	5½	Gen. Accident	12	Nat'l West Bank	20	C.P.	5
A. P. Cement	16	Gen. Electric	15	"Do" Warrants	7½	Intereuropean	7
Assoc. Leisure	5	Glaxo	35	P & O Dfd.	12	Land Securities	14
BSR	9	Grand Met.	7	Plessey	7	MEPC	7
Babcock	8	G.U.S. "A"	16	R.H.M.	6	Peachey	6
Barclays Bank	22	Guardian	18	Rank Org. "A"	18	Samuel Props.	4½
Berry Wiggins	5	G.K.N.	25	Reed Int'l.	25	Town & City	2½
Beecham	28	Hawker Sidd.	35	Revertex	11		
Boots	12	House of Fraser	8	Rothmans	4	Oils	
Bowater	16	I.C.I.	20	Slater Walker	4	Brit. Petroleum	40
B.A.T.	21	"Imps"	7	Spillers	4	Burmah Oil	4½
British Leyland	5	I.C.L.	14	Tesco	4	Shell	27
BOC	5½	Inveresk	7	Thorn "A"	22	Ultramar	14
Brown (J.)	9	Legal & General	12	Trust Houses	9		
Burton "A"	6½	Ladbroke	11	Tube Invest.	7	Mines	
Cadbury	5	Lex Service	5½	Unilever	36	Charter Cons.	15
Courtaulds	11	"Lofs"	4	Vickers	15	Cons. Gold	15
Debenhams	8	London Brick	4½	Williams-Hud'n	4	Hampton Areas	12
Distillers	15	Lonrho	9	Woolworths	6	Rio T. Zinc	18
Dunlop	7½	Lucas Inds.	20			Western M'ng.	18
Eagle Star	11	"Mans"	7	Property			
Cavenham	10	Lloyds Bank	22	Utd. Drapery	8	Charterhall Fin.	4
		Fitch Lovell	6	Midland Bank	32	Cap. Counties	3
		S.M. ...	17	Marks & Spencer	6	Brit. Land	5½

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 14¾ per cent. (since November 19, 1976)

Day-to-day credit was in very short supply in the London money market yesterday and the authorities gave an exceptionally large amount of assistance. They bought an extremely large number of Treasury bills from the discount houses and banks and also purchased a small amount of local authority bills. The authorities also lent an exceptionally large amount overnight to seven or eight houses, at Bank of England Minimum Lending Rate. There was a net market take-up of Treasury bills, the authorities held maturing local authority bills, repayment was made of official advances to the market, revenue payments to the Exchequer exceeded Government disbursements, and the market was also faced with a shortage because of applications for gilt-edged stock. On the other hand there was a fall in the note circulation.

Discount houses paid up to 16 per cent. for secured call loans in the early part, and closing balances were taken at 13-14 per cent.

In the interbank market overnight loans opened at 15½-16 per cent. and touched 16½-17 per cent. before closing at 12-13 per cent. Rates in the table below are nominal in some cases.

NEW HIGHS AND LOWS FOR 1976

RISES AND FALLS YESTERDAY

BASE LENDING RATES

FINANCIAL TIMES STOCK INDICES

HIGHS AND LOWS

S.E. ACTIVITY

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.21 (30/1)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2)	55.37 (25/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	269.3 (27/10)	549.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (25/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. Activity	Nov. 25
Daily— Gilt-Edged	174.
Industrials	121.
Speculative	23.
Totals	89.
5-day Av'rge— Gilt-Edged	197.
Industrials	138.
Speculative	29.
Totals	102.

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	50.8	54.0	-1.4	6.67
Income Tst.	47.2	50.2	-1.4	9.36
Int. Growth Fd.	53.8	57.2	-1.4	4.35
Do. Accum.	53.8	57.2	-1.4	4.36

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	24.2	25.8	+0.3	6.68
Do. Accum.	29.6	31.6	+0.3	6.68

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

EGIONAL MARKETS

share prices previously shown under regional headings is quotations on London, Irish issues, most of which are not don, are shown separately and with prices as on the Irish

				IRISH		
				Conv. 9% '80/82	£78¾	......
......	Higsons Brew.	60xd	......	Alliance Gas	47	......
......	I.O.M. Stm. £1	130	......	Arnott	198	......
......	Holt (Jos.) 25p	182	......	Carroll (P.J.)	93	+1
-2	Kleen-e-Ze	32	......	Clondalkin	35	......
......	Lovell's Ship £1	180	......	Concrete Prods.	41	......
......	N'thn. Goldsmith	21	......	Heiton (Hldgs.)	20	......
......	Pearce (C. H.)	85	......	Ind. News	35	......
......	Peel Mills	11	......	Ins. Corp.	148¼	......
......	RobbCaledonSh.	42½	......	Irish Distillers	38	......
-½	Sayers 12½p	15	......	Irish Ropes	80xd	......
......	Sheffield Brick	73	......	Jacob	40	-1
......	Sheff. Refrshmt.	130	......	Sunbeam	10	......
......	Shiloh Spinn.	21xd	......	T.M.G.	71	......
......	Sindall (Wm.)	49	......	Unidare	42	......

PRICE MOVEMENTS

	Nov. 25 £	Week ago £	Month ago £
...er ton	1,025	1,025	1,025
...er ton	990	965	965
per ton	990	965	965
...er ton§	965	960	960
...)			
...o	9.51- 9.66	9.51- 9.66	9.66
...cwt†	57.12	57.12	57.12-59.98
...d per cwt	58.50-60.93	58.50-60.93	58.40-60.93
...ldar rindless			
...	990.11	990.11	990.11
...e	896.50	896.50	—
...Standard	3.85- 4.00	3.80- 3.95	2.90- 3.10
...Large	3.90- 4.05	3.90- 4.00	3.10- 3.30

	Nov. 25 per pound p p	Week ago per pound p p	Month ago per pound p p
...d sides (ex- ...	47.0—51.0	48.0—51.0	47.0—50.0
...rters	35.0—38.0	36.0—38.0	36.0—38.0
...	40.0—46.0	40.0—46.0	40.0—47.0
...s	47.0—47.5	44.0—47.5	47.0—48.0
...its)	32.0—39.0	30.0—39.0	30.0—39.0
...s	—	—	—
...kens	29.0—31.0	31.0—31.5	28.5—32.0

...g Exchange price per 120 eggs. † Delivered. ...ovember 27-December 4.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 40% (based on $US1.6475 per £)

Conversion factor 0.7141 (0.7130)

CANADIANS

1976 High	Low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
14¾	10⅝	Bk. Montreal $2	11⅞	−¼	$1.00	—	5.4
40½	29⅛	Bk. Nova Scot. $2	33⅝	−¼	$1.72	—	3.3
46¾	33¾	Bell Canada 25c	40	−½	$3.72	—	6.0
23⅝	12	Bow Valley‡	17¼	+¼	10c	—	0.4
10	780p	Brascan‡	870p	+10	$1.00	—	7.4
29⅛	19⅞	Can. Imp. Bk. $2	20	.....	$1.28	—	4.2
16⅞	10⅜	Can. Pacific $5	12½	−¼	84½c	—	4.3
29⅝	25¼	Do. 4pc Deb £100	25¼	.....	4%	—	15.9
37⅞	19¾	Gulf Oil Can.‡	19⅞	−⅛	$1.00	—	3.3
670p	380p	Hawker Sid. Can.‡	380p	−20	36c	—	6.1
33	22	Hollinger $5	25⅝	.....	$1.80	—	4.5
18	12	Hudson's Bay‡	12	−⅜	60c	—	3.2
34⅝	26⅜	Hud. B. Oil G. $2½	27	+½	$1.60	—	3.8
22¼	16¼	Imperial Oil‡	17	.....	86.4c	—	3.3
31½	19½	Inco	24¼	−¼	$1.40	—	3.7
920p	660p	Int. Nat. Gas $1	800p	+10	80c	—	6.5
25½	16	Massey Ferg.‡	17½	−½	$1.00	—	3.7
27⅝	20¼	Pacific Pet. $1	21⅝	−¼	80c	—	2.4
381½p	24p	Place Gas $1	251½p	.....	—	—	—
30¼	22⅞	Rio Algom	23⅛	.....	$1.00	—	2.8
27¼	20⅞	Royal Bk. Can. $2	21⅛	−⅜	$1.36	—	4.2
28¼	17⅞	Seagram Co. C$1	17⅞	+⅛	66.4c	—	3.2
18⅞	13⅞	Tor. Dom. Bk. $1	15	−⅛	74c	—	3.2
11⅞	10¼p	Trans Can. Pipe‡	10¼p	−¼	88c	—	8.7

S.E. List Premium 40% (based on $1.6438 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- £ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ¢ Not comparable.
- ♦ Same interim, reduced final and/or reduced earnings indicated
- ‡ Forecast dividend: cover on earnings updated by latest interim statement
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend, xc ex scrip issue, xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

BIDS AND DEALS

Graff Diamonds minority offer

A bid of 28p a share in cash is being launched for the 28 per cent. minority interest in Graff Diamonds, 72 per cent. of whose shares are owned by the chairman, Mr. Laurence Graff, his wife and their private company Sandstar. The offer is being made by Sandstar.

This price is little more than half that at which the shares were floated through an offer for sale by Hambros Bank in 1973. The sale price then was 57p, but the present equivalent is a few pence less (though over 50p) because of certain later scrip issues.

The Graff price has been falling for most of the time since the flotation and last night closed 3p up at 27p after news of the offer, which is recommended by the directors other than Mr. and Mrs. Graff and by Hambros as the company's advisers.

It was also announced yesterday that the company's pre-tax profits in the year to June 30, 1976 were £478,000, compared with £482,00 in the previous year, *from sales of £2.7m., against* £2.3m.

Explaining the offer, which will make the company again family-owned, the Board said the business had been changing emphasis towards dealing in high value jewellery for an increasing international clientele. In order to compete in this top international jewellery field, it was necessary to carry much higher stocks.

"Whilst this policy is acceptable to private shareholders of a close company, it is not necessarily in the immediate interests of the public or institutional shareholders. *It is against this background* that Mr. Graff has decided to make the offer."

Institutional holders which own 40 per cent of the minority being bid for have said they intend to accept.

A special interim dividend of 2.31p a share, the maximum allowed under Treasury rules, is to be declared when the offer becomes unconditional and existing holders will be entitled to receive this.

See Lex

CRANE'S SCREW SAYS 'WAIT'

In a letter to shareholders of Crane's Screw (Holdings) the chairman, refers to the various announcements concerning offers for the company made during the past two weeks and advises holders to take no action at this stage.

He will write to holders again following the receipt of the formal document in respect of the offer from **Armstrong Equipment.**

ELECTRA HOUSE TRUST MERGER

A merger has been agreed in *principle by two investment* trusts in the Electra House group, **Telephone and General Trust** and **Temple Bar Investment Trust.** The two trusts' collective assets are approximately £25m. according to recent estimates, and the current market price discounts are both in the region of 40 per cent. The scheme of arrangement will be based on the accounts at December 31, 1976, and full details will be sent to shareholders as soon as possible after that date.

In order to facilitate the merger, Telephone and General has disposed of its entire holdings of £452,875 Temple Bar ordinary stock (30.28 per cent.) and its holding of £131,080 of that company's 6 per cent. Preference stock (34.07 per cent.). These holdings have been placed with institutional and other investors. In addition Temple Bar has disposed of its £20,000 Telephone Trust 7 per cent. Preference stock, thus eliminating all cross holdings between the two companies.

Statement, Page 33

CENTURY OILS

The chairman of Century Oils, Mr. C. H. Mitchell, has written to shareholders reiterating the Board's view that the recent offer from **British Petroleum** is unacceptable and that no action should be taken. More detailed reasons for the Board's rejection of the offer—50p cash for each Ordinary and 60p for each Preference share—will be sent out later.

BARROW HEPBURN FRENCH TALKS

Talks are taking place which may lead to Barrow Hepburn's *French subsidiary Le Tanneur-*Tanneries due Bugey taking a holding in Société Nouvelle D'Exploitation Des Tanneries Françaises Réunies.

Speculation pushes up Herbert Morris price

Speculation that a rival bidder could emerge for Loughborough crane manufacturers Herbert Morris saw the Morris share price up to 135p at one stage yesterday before it closed 9p higher on the day at 132p. This compares with the 120p per share cash offer from Babcock and Wilcox, which is now subject to an inquiry by the Monopolies Commission.

However, both Babcock and Morris said yesterday that no serious approaches had been made. Clarke Chapman, whose name has featured most frequently in the speculation, stated that they were "not in the market at this stage."

*Any bid rival to that of Bab*cock, which holds 39 per cent. of the Morris equity, would automatically be referred to the Monopolies Commission.

The Monopolies Commission has been asked to report within the relatively short period of three months. It is understood that both the management of Morris and the unions representing the employees, all of whom have been *violently opposed* to the Babcock bid, have given an undertaking that they will accept the findings of the Commission's report.

If the current bid, which has lapsed in the meantime, is given clearance Babcock will be bound to go ahead with its 120p per share offer under the rules of the City Code on Takeovers and Mergers.

Babcock is to attend a hearing at the Monopolies Commission on November 19.

FRUEHAUF STILL UNDECIDED

The U.S. trailer and container manufacturer **Fruehauf Corporation** has still to decide whether or not to withdraw from the battle for control of **Crane Fruehauf** following the reference to the Monopolies Commission.

However, a statement last night insisted that "Fruehauf is confident that any objective review of the circumstances would conclude that the proposed acquisition of Crane was in the U.K. public interest and that the circular from the U.K. directors of Crane dated November 4 contained misleading statements and unsupported assertions particularly in relations to Fruehauf's motives in acquiring full control of Crane and Crane's prospects as a wholly-owned subsidiary of Fruehauf."

Fruehauf is discussing its position with its London financial advisers, Hill Samuel, because if it withdraws completely it would not be able to bid again or acquire more Crane shares for at least 12 months even if the Monopolies Commission gave the go-ahead.

WOOD BASTOW

Wood Bastow has reached the final stages of negotiations for the acquisition of **Andrew Baron**, a private company which manufactures ladies' coats, skirts, slacks and childrenswear and whose production goes almost entirely to Marks and Spencer. No details of the purchase price are being released at present.

Andrew Baron, which has an annual turnover of £2m., employs 500 people. The attraction of the *group to Wood Bastow is the* extra capacity provided by the acquisition and the Marks and Spencer connection. It is intended to expand the operations once the bid has been finalised.

BIBBY EXTENDS CLYDE PAPER OFFER

The offer on behalf of J. Bibby and Sons for the capital in Clyde Paper Company, have been accepted in respect of 2,908,670 Ordinary stock units, representing 87.93 per cent. of those in issue; and 192,247 Preference shares—80.10 per cent. The offers are to be *extended until November 24.*

MATHER & PLATT

The cash offers by Wormald, a wholly-owned subsidiary of Wormald International of Australia, to acquire the capital of Mather and Platt have been accepted by holders of over 91 per cent. of the Ordinary and over 82 per cent. of the Preference shares.

Both offers are now unconditional and remain open. Wormald intends to acquire compulsorily any outstanding shares.

ALLIED MANUFG.

Allied Manufacturing and Trading Industries announces that it's subsidiary, W. D. and H. O. Wills (Australia) has purchased Fred Paul (Bondi Junction) Pty., a company incorporated in N.S.W. and engaged in the retail meat trade.

This acquisition represents less than 5 per cent. of the consolidated assets.

MINING NEWS

Federal ban at Fraser Island

BY KENNETH MARSTON, MINING EDITOR

THE AUSTRALIAN Government has decided to ban sand-mining for rutile and zircon on Fraser Island, off the south Queensland coast, in line with the recommendations of the environmental inquiry which was reported here last month. Our Canberra correspondent says that the Government will refuse export licences for any minerals mined on the Island after December 31, apart *from one small area.*

The Queensland Premier, Mr. Johannes Bjelke-Petersen, has described the Federal Government's decision as being an irresponsible appeasement of Sydney and Melbourne conservationists. Mr. Paul Phillips, executive director of the Australian Mining Industry Council, has said that the decision will damage Australia's reputation as a stable supplier of minerals.

He has pointed out that mining companies which had negotiated export contracts in good faith and with Government approval now found that their operations were to be cut off in mid-stream. The Government announcement has contained no reference to compensation for the mining companies and the matter is thought likely to become one for protracted negotiation or litigation.

It will not have gone unobserved that Fraser Island mineral sand mining operations bring only a limited financial benefit to Australia. After their previous boom, markets for the minerals have weakened and, as reported here yesterday, Australia is to continue her export control arrangements for zircon in 1977 and is reducing the minimum permitted export prices for the material.

Secondly, the two companies affected are overseas-controlled. **DM Minerals**, which has spent $A10m. (£7.5m.) on its project, is controlled by the U.S. **Dillingham Corporation** in partnership with Australia's **Murphyores** while the other operator, **Queensland Titanium**, is jointly-owned by America's **Titanium Alloy Manufacturing** and **Titanium Metals Corporation.**

Freeport moves into uranium

THE AMERICAN group, **Freeport Minerals**, is planning to enter international uranium markets in the second half of 1978 with an annual capacity of 690,000 lbs. of uranium oxide. Final design and engineering work is being completed on a $32m. (£19.6m.) *project to extract the material as* a by-product of phosphoric acid production at the Uncle Sam mine in Louisiana.

The plans are disclosed in the group's third quarter report to stockholders. This shows that net income in the three months to the end of September at $11.9m. (£7.3m.), or 77 cents a share, was lower than for the same period of 1975 when earnings were $13.48m., or 87 cents a share. But after nine months Freeport is still slightly ahead of last year with net profits of $42.1m., or $2.72 a share, against $41m., or $2.65 a share.

Freeport puts the fall in quarterly earnings down to a 15 per cent. drop in profits from its sulphur, phosphoric acid and potash operations. Export markets for sulphur have been weak, and in July and August potash prices eased. But a potash price rise came into effect on September, improving Freeport's revenue per ton by about 20 per cent.

Another factor in the fall was the decline in Indonesian copper operations to break-even levels. Copper concentrate production at 58,000 tons was 3,000 tons higher than in the 1975 third-quarter, but prices moved lower.

However, in the longer term, Freeport is mounting a $10m. two-year exploration programme adjacent to its big open-pit Ertsberg mine. Work done so far indicates that underground reserves could double the size of Ertsberg deposit, which was last estimated to contain 33m. tons of ore grading 2.5 per cent. copper and 40.6 per cent. iron.

In Australia, Freeport's joint venture with **Metals Exploration** at the Greenvale nickel-cobalt mine is taking an operating profit, even though in the third-quarter nickel oxide production was only about 86 per cent. of capacity. There will be a9 per cents nickel price rise effective in January, but scarcely enough to cover cost inflation.

LONRHO'S COAL DEAL OPPOSED

Dissident minority shareholders in **Tweefontein** and **Witbank Consolidated** opposing their merger with **Duiker** argued their case in six hours of meetings in Johannesburg yesterday. The merger is a Lonrho plan to bring together its South African coal interests, reports our Johannesburg correspondent.

The bulk of the shareholders' questions were ruled *sub judice* by the chairman of the meetings as the minority interests have sought a court order restraining Lonrho from voting its shares. The hearing will be on November 24

At the Witbank meeting outside shareholders voted 3-1 against the Lonrho proposals, but *the vote was academic without* the court application, because the Lonrho proposals require acceptance by 51 per cent. of the shares and Lonrho has more than 50 per cent.

Swiss banker sees a steady gold rise

THE SENIOR vice-president of **Swiss Bank Corporation**, Mr. Herbert Kaufmann, said in Johannesburg yesterday that the gold price is now in a consolidation period which might last "until a few other International Monetary Fund sales belong to history." Thereafter he said the price would start to rise slowly attracting the interest of hoarders and investors which would in turn accentuate the upward trend. In London, the bullion price advanced $5¼ to $136¼ per ounce, its highest for 10 months.

Our Johannesburg correspondent reports that Mr. Kaufmann *said indications were that world* offtake this year would be as high as 1,200 tons closely matching available supplies from new production and sales by the IMF. Discussing the arrangements made to reduce the monetary role of gold at recent international conferences Mr. Kaufmann said that in his view they would achieve exactly the opposite objective — they would enhance it. He suggested that gold would continue to play a meaningful role in a world that would never believe the metal could be altogether banished from monetary arrangements.

On Soviet sales, Mr. Kaufmann forecast that Russia would expand output regardless of production costs but he thought that even if annual Russian sales amounted to as much as 350 tons of gold the market would not be disrupted. He said that the Russians had not been a significant bearish element in this year's gold market. *His conclusion* was that the downtrend had come to a standstill and that "the present situation in the gold market can even signal the beginning of a real turnaround."

HAMPTON AREAS DOES BETTER

The U.K.-registered **Hampton Areas**, which derives the bulk of its revenue from Western Mining's nickel operation in Western Australia reports a dramatic recovery in attributable earnings for the six months to September this year to £192,000 against £3,000 for the same period in 1975.

The main reasons for the recovery in earnings were the 27.7 per cent. increase in royalty payments from Western Mining to $A469,495 (£354,442) from $A367,667 for the corresponding period last year coupled with an exchange gain resulting from the depreciation of sterling against the Australian dollar and a £34,000 profit on the sale of investments. Hampton Areas rose 5 to 80p yesterday.

WANKIE HAS TO EXPORT MORE

In his annual review of the **Anglo American Corporation** group's Rhodesian Wankie Colliery, Sir Keith Acutt emphasises the importance of expanding the big coal producer's export business. More than half the increased trading profit of $Rh.3.36m. (£3.3m.) for the past year to August 31 came from export sales which are particularly dependent on the availability of railway trucks.

Sir Keith fears that the recent coal sales agreement with the Rhodesian Government, which provides for an annual fixed return on the capital employed, could as a result of inflation inhibit the injection of the large amount of capital that is required by Wankie. For this and other reasons, "the retention of profits should at least be sufficient to allow present scale operations to continue efficiently." Wankie were 40p yesterday.

NEW JAPAN DEAL FOR HAMERSLEY

The West Australian iron ore producer, **Hamersley**, which is part of the Rio Tinto-Zinc group, has concluded another agreement with Japanese steel interests which will increase its revenue from 1978 onwards. In September Hamersley agreed to sell an extra 6m. tons of iron ore to Japan from 1979 and boost its capacity to 46m. tons of saleable ore a year.

The new contract is independent of this expansion and covers sales to Kobe Steel alone. From 1978 *until 1990 Hamersley will* provide Kobe with 1.45m. tons of high grade ore a year. An existing contract to supply a slightly larger amount of low grade ore runs out *in* 1978.

The extension of the relationship adjusted to cover the conversion to high grade ore, guarantees Hamersley a greater U.S. dollar income. Iron ore contracts are denominated in U.S. rather than Australian dollars.

The Kobe contract, coupled with the September expansion announcement, consolidate Hamersley's position as a prime *iron ore supplier to the Japanese* steel industry at a time when the Japanese have been cautious about entering into new commitments with the Australian industry. Hamersley were unchanged at 225p yesterday, while RTZ hardened 1p to 153p.

MINING BRIEFS

GEEVOR TIN—October: 9,677 tonnes treated produced 89 tonnes Black Tin (65 per cent. Sn.) including 8 tonnes low grade concentrates (September 80 tonnes).

KENT (FMS)—Tin output for October: 9 tonnes (September 23½ tonnes).

KINTA KELLAS—Tin output for October: 57½ tonnes (September 60¼ tonnes).

ASSOCIATED MINERALS CONSOLIDATED—Production statistics for the 13 weeks ended September 29, 1976 (figures in tonnes): rutile 28,345 (previous quarter 21,181); zircon 19,169 (17,073); ilmenite 2,887 (2,254); monazite nil (nil).

FALCON MINES—September quarter: milled 58,500 tonnes (previous quarter 58,700 tonnes). Working profit $380,342 ($333,294). capital expenditure $51,811 ($162,848).

BISICHI-JANTAR (NIGERIA)—September: Tin output, 31.10 tonnes, Columbite, 23.82 tonnes. Nine months to date 295.98 tonnes and 342.33 tonnes. Same period last year 431.3 and 282.3 tonnes.

EX-LANDS NIGERIA—October tin output 46 tonnes (September 40 tonnes).

SAINT PIRAN—Production of tin concentrate for October: U.K., tonnes treated. 20,179 produced 188 tonnes (79 per cent. tin metal). Malaysia. 23 tonnes.

EZ Industries—

	4 weeks ended 20 Oct. tonnes	22 Sept. tonnes
Risdon Works		
Zinc	15,149	14,868
West Coast Mines		
Ore treated	49,037	49,427
Lead concentrate produced	1,079	693
Zinc concentrate produced	9,145	9,479
Copper concentrate prod.	2,413	2,389

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times covered	Gross Yield	P.E. Ratio
—	F.P.	—	£101½	830	Amrion Med Int. Inc.($)	915	+20	Q24c	—	1.5	—
—	F.P.	—	£29	£21¾	Barry Pacific Fd US$1	£27	−1	40c	—	0.8	—
80p	F.P.	17/9	70	56	Borthwick (Thos) 50p	59	......	b5.5	2.0	14.3	5.2
—	F.P.	—	£30¼	£25½	Dentsply Int. Inc. ($1)	£25½	−½	—	—	—	—
—	F.P.	—	£31⅞	£23½	Esmark $US1	£26	......	Q$1.52	—	5.2	—
‡‡	F.P.	—	140	96	Toinx S.A. 11	140	......	—	—	—	—
—	F.P.	—	30⅞	29½	Utd. Technologies US$	£29½	−¼	Q$1.20	—	2.6	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
£98.6	F.P.	29/10	97½	97	Eastbourne Waterworks 9% Red. Pref. '82	97½	......
US$99	F.P.	—	$100	$98½	Gotaverken 8½% Notes 1983	$100	......
US$100	F.P.	—	LF98	LF98	Ind. Fund of Finland 9% Guar. Notes '84	LF98	......
US$100	F.P.	—	$100	$99	Kockums Mek 9% Guar. Notes 1983	$99	......
KD$98	F.P.	—	98KD	98KD	Korea Development Bk 8¾% Guar. Bonds 1979	98KD	......
††£94	F.P.	4/2	96½	93	Mid-Sussex Water 9% Red. Pref. 1981	93	......
£97	F.P.	28/10	98¼	97	Mid-Sussex Water 14½% Red. Deb. 1982	98¼	......
‡‡	F.P.	—	45	45	Newman Inds. 10% Cum. Pref.	45	......
—	F.P.	28/1	107	96½	Tate & Lyle 13% 1994-99	107	+5
£94½	10	—	£10½	10½	Tendring Hundred W'wks 9% Red. Pf. 1981	10¼	......
*R4.10	Nil	—	2	1	Tra-Ntl Coal Cp-Do-13½% Pty.Cv.UnDb1987/91	Nilpm	......
£99	F.P.	19/11	99¾	98	York Water 15% Red. Deb. 1984	98	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	‡	1976 High	1976 Low	Stock	Closing Price p	+ or −
115	F.P.	15/10	12/11	128	112	Black & Edgington	119	......
10	F.P.	27/9	12/11	11	8	Bonas Webb	8½	......
$A4	Nil	—	3/12	385	265	Broken Hill Props.	265	......
50	F.P.	22/10	12/11	60	51	Brown (Matthew)	58	......
R1.46	Nil	—	12/11	25/8	Nil	Doornkraal Gold	Nil	......
25	F.P.	22/10	11/12	31	26	Fairbairn Lawson	28½	+½
124	F.P.	1/11	17/11	127	119	General Accident	128	+5
100	F.P.	29/10	10/12	120	101	Howden (Alexander)	120	+5
40	F.P.	22/10	12/11	67	47	Lonrho	58	+
$A1.75	Nil	3/12	17/12	63	43	National Bank of Australasia	50pm	+
25	F.P.	1/10	2/11	30	22	P.M.A.	24	......
20	F.P	8/10	12/11	28¾	25	Shakespear (J.)	25	......
150c	Nil	—	—	11	4	Trans-Natal Coal	11pm	......
$A1.20	P.Pd	18/5	—	141	83	Western Mining	88	......
70c	F.P.	—	—	94	47	Woodside-Burmah	75	+

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. s Forecast dividend: cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 19.. Q Gross. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † provisional or partly-paid allotment letters. § With warrants. ♦ After suspension. KD Kuwait Dinars.